

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 12, 2018

Advice Letter 5254-G

Southern California Gas
Attention: Ray Ortiz
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**SUBJECT: Request to Continue SoCalGas Interstate Pipeline Capacity Acquisition
Procedures for an Additional Three-Year-Period**

Dear Mr. Ortiz:

Advice Letter 5254-G is effective as of March 11, 2018.

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
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RvanderLeeden@semprautilities.com

February 9, 2018

Advice No. 5254
(U 904 G)

Subject: Request to Continue SoCalGas Interstate Pipeline Capacity Acquisition Procedures for an Additional Three-Year Period

Purpose

In compliance with California Public Utilities Commission (Commission) Decision (D.) 04-09-022, Southern California Gas Company (SoCalGas) hereby requests continuation of the interstate pipeline capacity contract acquisition procedures adopted in D.04-09-022, as modified by the Commission in response to Advice No. (AL) 3969, for an additional three years.¹

Background

In D.04-09-022, the Commission established interstate pipeline contract acquisition procedures for SoCalGas, San Diego Gas & Electric, and Pacific Gas and Electric Company for an initial period of five years. These procedures include authorized capacity planning ranges, and consultation, review, and approval processes for new interstate capacity commitments.² The interstate pipeline contract acquisition procedures established in D.04-09-022 have created a more efficient and cost-effective capacity acquisition process while preserving reliability of service. Moreover, the procedures have resulted in significant savings for SoCalGas and SDG&E core customers through, among other things, the negotiation of discounted contracts for interstate pipeline capacity.

¹ Pursuant to D.07-12-019, the core procurement portfolios of SoCalGas and San Diego Gas & Electric Company (SDG&E) have been combined and are now managed by SoCalGas. Accordingly, this request, as with similar past requests, is on behalf of the combined SoCalGas and SDG&E portfolio.

² See D.04-09-022, mimeo., at pp. 21-35.

In D.04-09-022, the Commission authorized the utilities to file an AL requesting the continuation or modification of these interstate pipeline contract acquisition procedures. On March 2, 2009, SoCalGas filed AL 3969 seeking to continue the procedures for an additional three years, with one minor change to the authorized capacity planning ranges that are part of the procedures. Specifically, SoCalGas asked the Commission to eliminate the annual average minimum firm interstate pipeline capacity requirement, and instead require SoCalGas to hold firm interstate pipeline capacity that during the spring and summer months is no less than 90% of their forecasted core procurement annual average daily load, and during the fall and winter months is no less than 100% of their forecasted core procurement annual average daily load. SoCalGas did not propose changing the existing annual average maximum of 120%. SoCalGas also asked for the ability to seek a further continuation of the procedures through another advice filing. The Commission approved AL 3969 effective April 1, 2009.

SoCalGas filed ALs 4350 and 4758 on March 30, 2012 and February 13, 2015, respectively, requesting further three-year extensions to the interstate pipeline contract acquisition procedures, without requesting any modifications to those procedures. AL 4350 was approved effective April 29, 2012, and AL 4758 was approved effective March 15, 2015. Pursuant to these extensions, the interstate pipeline contract acquisition procedures established in D.04-09-022 and modified by AL 3969 currently remain in place through March 31, 2018.³

Proposal

SoCalGas respectfully requests that the Commission authorize the continuation of these existing interstate pipeline contract acquisition procedures for the three-year period of April 1, 2018 through March 31, 2021. SoCalGas is not seeking any changes to the current procedures, just a continuation. SoCalGas also requests that it be authorized to file an AL before the end of this additional three-year period requesting the continuation or modification of these interstate pipeline contract acquisition procedures.

This filing will not create any deviations from SoCalGas' tariffs, cause withdrawal of service from any present customer, or impose any more or less restrictive conditions.

³ While AL 4758 was approved effective March 15, 2015, SoCalGas interprets the three-year extension granted by AL 4758 to cover the period April 1, 2015 through March 31, 2018, which aligns with SoCalGas' Gas Cost Incentive Mechanism calendar. Accordingly, SoCalGas is requesting the continuation of these existing interstate pipeline contract acquisition procedures beginning on April 1, 2018.

Protests

Anyone may protest this AL 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 AL, which is March 1, 2018. 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 email and facsimile to the address 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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) and respectfully requests that this compliance filing be approved on March 11, 2018, which is 30 days after the date filed and the continuation of the interstate pipeline contract acquisition procedures become effective on April 1, 2018.

Notice

A copy of this AL is being sent to SoCalGas' General Order (GO) 96-B service list, the Commission's service list in R.04-01-025, Gas Market OIR proceeding, and A.17-06-016, SoCalGas' most recent Gas Cost Incentive Mechanism application. Address change requests to the GO 96-B service list should be directed by electronic mail to 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.

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

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 5254

Subject of AL: Request to Continue SoCalGas Interstate Pipeline Capacity Acquisition Procedures for an Additional Three-Year Period

Keywords (choose from CPUC listing): Contracts

AL filing type: Monthly Quarterly Annual One-Time Other Every Three Years

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

D.04-09-022

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: 3/11/18

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: N/A

Service affected and changes proposed¹: 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: Ray B. Ortiz
555 West Fifth Street, GT14D6
Los Angeles, CA 90013-1011
ROrtiz@semprautilities.com
Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.