



**Ronald van der Leeden**  
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June 29, 2018

Advice No. 5317  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Update to System Modification Fee in Schedule No. G-CPS**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) proposed revisions to its tariffs, applicable throughout its service territory, as shown on Attachment A.

**Purpose**

This submittal updates the System Modification Fee (SMF) in Schedule No. G-CPS, California Producer Service, to decrease the SMF from \$117 to \$22.32 per MMcfd of Interconnect Capacity, per month.

**Background**

In compliance with Resolution G-3489, on November 18, 2013, SoCalGas submitted Advice No. (AL) 4177-A to incorporate modifications to certain pro forma contracts and tariffs governing the terms and conditions of access by California (CA) Producers to the SoCalGas gas pipeline system. On February 11, 2014, the Commission approved AL 4177-A, effective December 18, 2013.

In AL 4177-A, SoCalGas stated that the SMF was based on the updated capital estimate of \$1.3 million, which would be ratebased and then amortized over three years. The SMF, charged to each CA Producer, recovers the cost of modifications to SoCalGas' Electronic Bulletin Board (EBB) ENVOY® necessary to implement the balancing requirements of the California Producer Operational Balancing Agreement (CPOBA). Schedule No. G-CPS was submitted with the SMF set with a placeholder of \$0 per MMcfd of Interconnect Capacity, per month, and once the EBB modifications were deemed complete, the SRF would be updated.

On January 26, 2015, SoCalGas notified the Commission's Energy Division by overnight and electronic mail that the EBB modifications were deemed complete. On January 30, 2015, SoCalGas submitted AL 4749 to update the SRF from \$0 to \$117 per MMcfd of Interconnect Capacity, per month to recover its EBB modification costs now that the modifications were complete and placed in service. On March 5, 2015, the Commission approved AL 4749, effective March 1, 2015.

In AL 4749, SoCalGas stated that at the end of the initial amortization period, the SMF would be revised as necessary to true-up to actual costs. Through May 2018, SoCalGas has collected \$1,469,719, \$35K under the authorized amount \$1.5 million. Approximately \$29k will be collected in June 2018 at the current SMF, and to true-up the final \$6K, the SMF will be revised as described below.

### **System Modification Fee**

The methodology for the SMF calculation, shown below, is the same methodology submitted in AL 4177-A. The calculation was adjusted for actual costs and the actual dates and timing of expenditures to complete the modifications. In addition, the Total Contract Interconnect Capacity decreased by approximately 107 MMcfd, reflecting changes to the number of CA Producers accessing the gas system and their Interconnect Capacity quantities. The updated monthly SMF is \$22.32 per MMcfd of contracted Interconnect Capacity.

#### Updated Calculation of Monthly System Modification Fee

Monthly Payment per MMcfd Interconnect Capacity	\$117
Total Contract Interconnect Capacity (MMcfd)	358
Term in Months	36
Authorized Revenue per AL 4749	\$1,504,728
Total revenue to be collected through June 2018	\$1,499,120
Remaining SMF to collect July 2018	\$5,608
Total Contract Interconnect Capacity (MMcfd)	251
Updated Monthly Payment per MMcfd Interconnect Capacity	\$22.32

Notes:

1. Total Contract Interconnect Capacity excludes Chevron USA, (1) California Resources Elk Hills account, HBOC Energy Marketing, Alamitos Biofuel, and Biofuels Point Loma.

SoCalGas plans to record the SMF as a credit to its fixed cost balancing accounts to ensure these costs are not double recovered (i.e., from both CA Producers and other general ratepayers).

**Protest**

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 must be received within 20 days of the date of this AL, which is July 19, 2018. There is no restriction on who may submit a protest. The address for mailing or delivering a protest to the Commission is given below.

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

A copy 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: 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)

**Effective Date**

SoCalGas believes this AL is subject to Energy Division disposition and should be classified as a Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that the tariff sheets submitted herein be made effective for service on July 1, 2018.

**Notice**

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list A.04-08-018. Address change requests to the GO 96-B service list should be directed by e-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 e-mail to [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

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Director- Regulatory Affairs

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER SUBMITTAL 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 Submitted/ Received Stamp by CPUC)

Advice Letter (AL) #: 5317

Subject of AL: Update to System Modification Fee in Schedule No. G-CPS

Keywords (choose from CPUC listing): Capacity

AL type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

Resolution G-3489

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: 7/1/18

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: Schedule No. G-CPS and TOCs

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 submittal, 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. 5317

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55288-G	Schedule No. G-CPS, CALIFORNIA PRODUCER SERVICE, Sheet 2	Revised 51219-G
Revised 55289-G	TABLE OF CONTENTS	Revised 55203-G
Revised 55290-G	TABLE OF CONTENTS	Revised 55287-G

Schedule No. G-CPS  
CALIFORNIA PRODUCER SERVICE

Sheet 2

(Continued)

FEES (Continued)

Summary of Rates and Fees (Continued)

Gas Quality Monitoring and Enforcement Fees (For Individual Interconnection)

- 1. One-Time Fee ..... \$1,860
- 2. New Data Collection System, per month ..... \$ 538
- 3. PLC/RTU Modification ..... \$8,937
- 4. New PLC/RTU Installation ..... Actual Costs

System Modification Fees

- 1. System Modification Fee (SMF), ..... \$22.32 per MMcf of Interconnect Capacity, per month

Operation and Maintenance Fee Basis

Contained within the cost component are the following:

- 1. Meter Set Assembly – Routine Maintenance – The charge shown above represents all labor associated with tasks necessary for maintaining the meter, including, but not limited to, routine calibrations, inspections, and gas sampling. The calculation utilizes the fully loaded current labor rates, shown above, and includes 40 hours of unscheduled visits per calendar year.
- 2. Odorant – The fee, shown above, shall be included on a volumetric basis, and shall be derived from the previous year’s receipts at the meter, unless special circumstances (e.g. new production) warrant otherwise. The fee is based upon the actual cost of odorant and then current design odorant usage rate. The current cost of Scintinel® T-50 Gas Odorant, shown above, is \$3.48/lb and \$5.48/lb for large and small truck deliveries, respectively. The current design T-50 odorant usage is 0.40 lb/MMcf of gas delivered. The current cost of Scintinel® THT Gas Odorant, shown above, is \$5.39/lb and \$7.39/lb for large and small truck deliveries, respectively. The current design THT odorant usage is 0.75 lb/MMcf of gas delivered.
- 3. Interconnection-Specific – The actual interconnection-specific costs shall be charged back to individual meters. Typical interconnection-specific costs include telephone and communication expenses, replacement parts for existing equipment, permits for certain air districts, special calibration requirements, costs associated with providing CARB waivers, etc.
- 4. H<sub>2</sub>S Monitoring – Interconnections with lead acetate tape monitors shall pay an additional monthly base fee, shown above, for each monitor.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5317  
 DECISION NO.

ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Jun 29, 2018  
 EFFECTIVE Jul 1, 2018  
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G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program .....	32828-G
G-MSUR	Transported Gas Municipal Surcharge .....	52997-G,25006-G
G-PAL	Operational Hub Services .....	45363-G,45364-G,45365-G
G-CPS	California Producer Service .....	49713-G,55288-G,49715-G,49716-G 49717-G,54240-G,55201-G,55202-G,49721-G
GO-DERS	Distributed Energy Resources Services .....	52279-G,52280-G,52281-G,52282-G 52283-G,52284-G,52285-G,52286-G

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The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

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(Continued)

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