

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 10, 2018

**Advice Letter 5329-G**

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

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

Dear Mr. van der Leeden:

Advice Letter 5329-G is effective as of August 1, 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  
Fax: 213.244.4957

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

July 30, 2018

Advice No. 5329  
(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 \$22.32 to \$0 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. Costs were trueed up in AL 5317 by adjusting the SMF from \$117 to \$22.32 for the month of July 2018. Through July 2018, SoCalGas will have collected an estimate of \$1,504,728, which is the authorized SMF revenue per AL 4749. Since the full authorized revenue has been collected through July billing, the SMF is being adjusted from \$22.32 to \$0 per MMcfd of Interconnect Capacity per month, effective August 1, 2018.

### **System Modification Fee**

The methodology for the SMF calculation, shown below, is the same methodology submitted in AL 5317. The calculation was adjusted for actual costs and the actual dates and timing of expenditures to complete the modifications. The updated monthly SMF is \$0 per MMcfd of contracted Interconnect Capacity.

#### Updated Calculation of Monthly System Modification Fee

Authorized Revenue per AL 4749	\$1,504,728
Estimated Revenue collected through July 2018	\$1,504,728
Remaining Revenue to be collected	\$0
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Updated Monthly Payment per MMcfd Interconnect Capacity	\$0
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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 August 19, 2018. 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 August 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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Ronald van der Leeden  
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) #: 5329

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: 8/1/18

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. 5329

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55329-G	Schedule No. G-CPS, CALIFORNIA PRODUCER SERVICE, Sheet 2	Revised 55288-G
Revised 55330-G	TABLE OF CONTENTS	Revised 55293-G
Revised 55331-G	TABLE OF CONTENTS	Revised 55320-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), of Interconnect Capacity, per month.....	\$0.00 per MMcfd
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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. 5329  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Jul 30, 2018  
 EFFECTIVE Aug 1, 2018  
 RESOLUTION NO. G-3489

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	Utilities Reimbursement Account .....	54551-G
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,55329-G,49715-G,49716-G
		49717-G,54240-G,55291-G,55292-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

(TO BE INSERTED BY UTILITY)

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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)

(TO BE INSERTED BY UTILITY)  
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