

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 19, 2018

**Advice Letter 5343-A**

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

**SUBJECT: August 2018 Buy-Back Rates.**

Dear Mr. van der Leeden:

Advice Letter 5343-A is effective as of August 31, 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)

September 26, 2018

Advice No. 5343-A  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Supplement - August 2018 Buy-Back Rates**

Southern California Gas Company (SoCalGas) hereby submits revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment A. This supplemental Advice Letter replaces Advice No. (AL) 5343, submitted on August 31, 2018, in its entirety to set the Buy-Back Rates for August 2018 at the revised lowest incremental cost of gas.

**Purpose**

This routine submittal updates the Buy-Back Rates in Schedule No. G-IMB for August 2018.

**Background**

As authorized in Schedule No. G-IMB - Transportation Imbalance Service, the Buy-Back Rates are established effective the last day of each month.

The Buy-Back Rates will be the lower of 1) the lowest incremental cost of gas purchased by the Utility during the month the imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP, during the month such excess imbalance was incurred.

In AL 5343, the lowest incremental cost of gas purchased by the Utility during the month of June 2018 was based on the price on the offer date, which included a foreign currency exchange rate. The actual lowest incremental cost of gas was based on the foreign currency exchange rate on the settlement transaction date in late-September. AL 5343-A revises lowest incremental cost of gas based on the foreign currency exchange rate on the settlement transaction date.

**Information**

During the month of August, the lowest incremental cost of gas, which is 12.210 cents per therm, is lower than 50% of the Adjusted Core Procurement Charge, G-CPA. Therefore, the Buy-Back Rates for August 2018 are being set at the lowest incremental cost of gas. The work paper showing details of the calculation of these rates is incorporated herein as Attachment B.

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets. Pursuant to Resolution G-3316, the August 2018 Standby Procurement Charges was submitted by a separate Advice Letter at least one day prior to September 25, 2018.

**Protest**

Anyone may protest this Advice Letter to the California Public Utilities 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 Advice Letter, which is October 16, 2018. 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

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 Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B and therefore respectfully requests that the tariff sheets submitted herein be made effective August 31, 2018, to coincide with SoCalGas' Adjusted Core Procurement Charge submittal in Advice No. 5332, dated July 31, 2018.

**Notice**

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list. 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.

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Ronald van der Leeden  
Director – Regulatory Affairs

Attachments



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC       GAS       WATER  
 PLC       HEAT

Contact Person:

Phone #:  
E-mail:  
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type:  Monthly     Quarterly     Annual     One-Time     Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes     No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes     No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

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

**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 Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

ATTACHMENT A  
Advice No. 5343-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55474-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 55401-G Revised 55394-G
Revised 55475-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 55402-G Revised 55336-G
Revised 55476-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 55403-G Revised 55395-G
Revised 55477-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 55404-G Revised 55338-G
Revised 55478-G	TABLE OF CONTENTS	Revised 55405-G Revised 55396-G
Revised 55479-G	TABLE OF CONTENTS	Revised 55406-G Revised 55397-G

PRELIMINARY STATEMENT  
 PART II  
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

WHOLESALE (Continued)

Schedule GT-TLS (ECOGAS)

GT-12CA, Class-Average Volumetric Rate Option	
Volumetric Charge .....	2.028¢
GT-12RS, Reservation Rate Option	
Reservation Rate, per therm per day .....	0.669¢
Usage Charge, per therm .....	0.991¢
Volumetric Transportation Charge for Non-Bypass Customers .....	2.332¢
Volumetric Transportation Charge for Bypass Customers .....	2.738¢

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm .....	57.159¢
Non-Residential Cross-Over Rate, per therm .....	57.159¢
Residential Core Procurement Charge, per therm .....	57.159¢
Residential Cross-Over Rate, per therm .....	57.159¢
Adjusted Core Procurement Charge, per therm .....	56.951¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

June 2018 .....	54.058¢	D
July 2018 .....	190.108¢	T
August 2018 .....	TBD*	T

Noncore Retail Standby (SP-NR)

June 2018 .....	54.116¢	D
July 2018 .....	190.166¢	T
August 2018 .....	TBD*	T

Wholesale Standby (SP-W)

June 2018 .....	54.116¢	D
July 2018 .....	190.166¢	T
August 2018 .....	TBD*	T

\* To be determined (TBD). Pursuant to Resolution G-3316, the Standby Charges will be submitted by a separate advice letter at least one day prior to September 25.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5343-A  
 DECISION NO. 89-11-060 & 90-09-089,  
 645 et al.

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Sep 26, 2018  
 EFFECTIVE Aug 31, 2018  
 RESOLUTION NO. \_\_\_\_\_



PRELIMINARY STATEMENT  
PART II  
SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

IMBALANCE SERVICE (Continued)

Buy-Back Rate

Core and Noncore Retail (BR-R)

June 2018 .....	8.603¢	D
July 2018 .....	17.811¢	R
August 2018 .....	12.210¢	R

Wholesale (BR-W)

June 2018 .....	8.603¢	D
July 2018 .....	17.758¢	R
August 2018 .....	12.210¢	R

STORAGE SERVICE

Schedule G-BSS (Basic Storage Service)

Reservation Charges

Annual Inventory, per decatherm reserved .....	21.400¢/year
Annual Withdrawal, per decatherm/day reserved .....	\$11.584/year
Daily Injection, per decatherm/day reserved .....	9.425¢/day

In-Kind Energy Charge for quantity delivered for injection during the year

Rate, percent reduction .....	2.400%
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The In-Kind Energy Charge shall be adjusted as necessary on the basis of a three-year rolling average of actual fuel use.

Schedule G-AUC (Auction Storage Service)

Reservation Charges

Annual Inventory, per decatherm reserved .....	(1)
Annual Withdrawal, per decatherm/day reserved .....	(1)
Daily Injection, per decatherm/day reserved .....	(1)

(1) Charge shall be equal to the awarded price bid by the customer.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5343-A  
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 746 et al.

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Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Standby Procurement Charge

This charge is applied to customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 8 percent tolerance band. The Standby Procurement Charge is posted at least one day in advance of each corresponding imbalance trading period for noncore/wholesale and core transport agents (CTAs). It is calculated at 150% of the highest daily border price index at the Southern California border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period plus a Brokerage Fee of 0.266¢ per therm for noncore retail service and all wholesale service, and 0.208¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "Natural Gas Intelligence's (NGI's) Daily Gas Price Index – Southern California Border Average" and "SNL Energy's Daily Indices – SoCal Border."

Core Retail Service:

SP-CR Standby Rate, per therm

June 2018 .....	54.058¢	D
July 2018 .....	190.108¢	T
August 2018 .....	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

June 2018 .....	54.116¢	D
July 2018 .....	190.166¢	T
August 2018 .....	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

June 2018 .....	54.116¢	D
July 2018 .....	190.166¢	T
August 2018 .....	TBD*	T

\* To be determined (TBD). Pursuant to Resolution G-3316, the Standby Charges will be submitted by a separate advice letter at least one day prior to September 25.

(Continued)

(TO BE INSERTED BY UTILITY)  
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 DECISION NO. 89-11-060 & 90-09-089,  
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 2H5

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Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Buy-Back Rate

This rate is applied to customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 8 percent tolerance band. The Buy-Back Rate is established effective the last day of each month and will be the lower of 1) the lowest incremental cost of gas purchased by the Utility during the month the excess imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP, during the month such excess imbalance was incurred.

Retail Service:

BR-R Buy-Back Rate, per therm

June 2018 .....	8.603¢	D
July 2018 .....	17.811¢	R
August 2018 .....	12.210¢	

Wholesale Service:

BR-W Buy-Back Rate, per therm

June 2018 .....	8.603¢	D
July 2018 .....	17.758¢	R
August 2018 .....	12.210¢	

If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, the Utility will provide CPUC the necessary work papers for such cost. Such documentation will be provided under confidentiality pursuant to General Order 66-C and Section 583 of the Public Utilities Code.

Daily Balancing Standby Rates

When a Stage 5 Low Operational Flow Order (Low OFO) or Emergency Flow Order (EFO) is declared, quantities not in compliance with the daily imbalance tolerance are purchased at the daily balancing standby rate. When a curtailment is declared, quantities determined by the Utility to be in violation of curtailment are charged (not purchased) at the daily balancing standby rate. There will be no commodity transfer to the curtailed customer in return for receiving this charge. The daily balancing standby rate is not applicable to High OFOs.

(Continued)

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(Continued)

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TABLE OF CONTENTS

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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**ATTACHMENT B**

**ADVICE NO. 5343-A**

**RATE CALCULATION WORKPAPER  
BASED ON ADVICE NO. 5332  
ADJUSTED CORE PROCUREMENT CHARGE SUBMITTAL  
EFFECTIVE AUGUST 1, 2018**

**Adjusted Core Procurement Charge:**

**Retail G-CPA:** **56.951** ¢ per therm  
( WACOG: 55.979 ¢ + Franchise and Uncollectibles:  
0.972 ¢ or [ 1.7370% \* 55.979 ¢ ] )

**Wholesale G-CPA:** **56.782** ¢ per therm  
( WACOG: 55.979 ¢ + Franchise:  
0.803 ¢ or [ 1.4339% \* 55.979 ¢ ] )

Lowest incremental cost of gas purchased during August 2018 is  
**12.210** cents/therm, which is lower than the following:

**GIMB Buy-Back Rates**

**BR-R** = 50% of Retail G-CPA:  
50% \* 56.951 cents/therm = **28.476** cents/therm

**BR-W** = 50% of Wholesale G-CPA:  
50% \* 56.782 cents/therm = **28.391** cents/therm

Therefore: **BR-R** and **BR-W** = **12.210** cents/therm