

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 23, 2019

**Advice Letter 5402**

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

**SUBJECT: Revision to Schedule No. G-BTS Pursuant to Decision (D.) 11-04-032.**

Dear Mr. van der Leeden:

Advice Letter 5402 is effective as of January 1, 2019.

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)

December 27, 2018

Advice No. 5402  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Revision to Schedule No. G-BTS Pursuant to Decision (D.) 11-04-032**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revision to its tariff Schedule No. G-BTS (Backbone Transportation Service), applicable throughout its service territory, as shown on Attachment A.

**Purpose**

This submittal is made in compliance with Ordering Paragraph (OP) No. 12 of D.11-04-032, to revise Schedule No. G-BTS to decrease the In-Kind Energy Charge from 0.131% to 0.094%, effective January 1, 2019.

**Background**

In OP No. 12 of D.11-04-032, the Commission directed San Diego Gas & Electric Company and SoCalGas to:

[E]stablish an in-kind fuel factor, initially set at 0.22% of the total volume of natural gas to be delivered at the receipt point and updated quarterly based on the fuel factor determined from the prior quarter data.

To comply with D.11-04-032, SoCalGas submitted Advice No. (AL) 4240 to revise Schedule No. G-BTS to incorporate the In-Kind Energy Charge of 0.22% effective October 1, 2011.<sup>1</sup> AL 4240 was approved by the Energy Division on July 1, 2011.

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<sup>1</sup> The term "In-Kind Energy Charge" used in SoCalGas Schedule No. G-BTS is synonymous with the term "in-kind fuel factor" used in D.11-04-032.

On November 30, 2011, SoCalGas submitted AL 4304 to revise Schedule G-BTS to decrease the In-Kind Energy Charge from 0.22% (effective during the fourth quarter 2011) to 0.174% for the first quarter 2012. Due to a time lag of approximately 25 days in obtaining operations data and at least 30 days needed to obtain Commission approval, SoCalGas used the most recent three-month operations data available (August 1, 2011, through October 31, 2011) to calculate the In-Kind Energy Charge for the first quarter 2012.

AL 4304 was approved by the Energy Division on December 28, 2011, with the revision to Schedule No. G-BTS made effective January 1, 2012. All of SoCalGas' subsequent advice letters to update the In-Kind Energy Charge used this same methodology up until the May 29, 2015 third quarter submittal.

On May 29, 2015, in order to reduce the current quarter to quarter rate volatility experienced, SoCalGas submitted AL 4814 to modify its current In-kind rate methodology to implement a new rate adjustment limit. SoCalGas proposed that, beginning with the scheduled July 1, 2015 rate adjustment, the "adjustment" factor for cumulative over/under-deliveries be limited to 25% of the latest lagged quarter's actual fuel consumption. This modification stabilizes the rate and prevents large over-collections followed by large under-collections.

AL 4814 was approved by the Energy Division on June 29, 2015, effective July 1, 2015, with the new limit revision in place to adjust its Schedule No. G-BTS tariff. All of SoCalGas' subsequent advice letters to update the In-Kind Energy Charge will now use this methodology.

### **Requested Change**

Consistent with the methodology used in the AL 4814, and based on September 1, 2018 through November 30, 2018 operations data, SoCalGas proposes that the In-Kind Energy Charge for the 1st quarter 2019 be revised from 0.131% to 0.094%. The backup calculations for this new proposed In-Kind Energy Charge of 0.094% are shown on Attachment B.

### **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 this advice letter was submitted to the Commission, which is January 16, 2019. 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](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest shall 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. Therefore, SoCalGas respectfully requests that this submittal be effective on January 1, 2019, which is five calendar days after the date submitted.

### **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.10-03-028, Firm Access Rights Update Proceeding. Address change requests to the GO 96-B service list should be directed via 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 via e-mail at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov).

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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:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

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

ATTACHMENT A  
Advice No. 5402

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55765-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 4	Revised 55480-G
Revised 55766-G	TABLE OF CONTENTS	Revised 55752-G
Revised 55767-G	TABLE OF CONTENTS	Revised 55753-G

Schedule No. G-BTS  
BACKBONE TRANSPORTATION SERVICE

Sheet 4

(Continued)

RATES (Continued)

BILLING CALCULATION

Monthly Reservation Charge:

The Monthly Reservation Charge is payable each month regardless of the quantity of gas scheduled during the billing period. The Reservation Charge for each billing period shall be calculated using the applicable reservation rate and the DCQ as specified in Customer's Backbone Transportation Service Contract (BTSC).

Monthly Reservation Charge = Applicable Reservation Rate \* DCQ \* number of days in the billing period (or, if less than one month, number of days in term of contract).

Monthly Volumetric Charge:

The Monthly Volumetric Charge for each billing period shall be calculated using the applicable volumetric rate multiplied by the scheduled quantities on the Customer's BTSC.

Monthly Volumetric Charge = Applicable Volumetric Rate \* Quantities of Gas Scheduled during the billing period.

In-Kind Energy Charges:

Customers transporting gas over the backbone transmission system shall deliver each day for each billing period at the receipt point an additional in-kind quantity of natural gas equal to a percent of the total quantity delivered at the receipt point. The quantity received by the Utility at the receipt point shall equal the quantity delivered by the Utility to the delivery point divided by (1 - x) where x is the decimal equivalent of the backbone transmission system in-kind fuel factor percentage.

Rate, percent reduction ..... 0.094%

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Any applicable volumetric charges shall be charged on scheduled volumes net of shrinkage.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5402  
 DECISION NO. 11-04-032

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Dec 27, 2018  
 EFFECTIVE Jan 1, 2019  
 RESOLUTION NO. \_\_\_\_\_



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**Advice Letter 5402**

**Attachment B - In-Kind Energy Charge Calculation**

January 1st 2019 through March 31st 2019

	<b>Transmission Compression Fuel Usage (Mcf)</b>		<b>Official MCS Receipts * (Mcf)</b>	
<b>3 Month Total:</b>	<b>246,579</b>		<b>195,309,672</b>	
<b>In-Kind Charge, %</b>	= $\frac{\text{Actual Fuel}}{\text{Total Receipts*}}$	=	$\frac{246,579}{195,309,672}$	= <b>0.126%</b>
	Minus		Minus	Minus
<b>Over Adjustment **</b>	$\frac{\text{(Fuel Collections minus Actual Fuel)}}{\text{Total Receipts*}}$	=	$\frac{61,645}{195,309,672}$	= <b>0.032%</b>
<b>In-Kind Energy Update Charge for 1st Qtr 2019</b>		=	<b>0.094%</b>	

\* Total Quantity Received by the Utility at all of its Receipt Points.

\*\* Adjustment is Lessor of : Cumulative Fuel Over/(under) Collections [ 104,715 ] OR, 25% of previous 3 months actual fuel consumption [ 61,645 ]