

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 25, 2019

Advice Letter 5406

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

SUBJECT: December 2018 Buy-Back Rates.

Dear Mr. van der Leeden:

Advice Letter 5406 is effective as of December 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

December 31, 2018

Advice No. 5406
(U 904 G)

Public Utilities Commission of the State of California

Subject: December 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.

Purpose

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

Information

During the month of December, the lowest incremental cost of gas, which is 15.096 cents per therm, is lower than 50% of the Adjusted Core Procurement Charge, G-CPA. Therefore, the Buy-Back Rates for December 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 December 2018 Standby Procurement Charges will be submitted by a separate Advice Letter at least one day prior to January 25, 2019.

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 January 20, 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

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). 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

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 December 31, 2018, to coincide with SoCalGas' Adjusted Core Procurement Charge submittal in Advice No. 5388, dated November 30, 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 via e-mail to Tariffs@socalgas.com or call 213-244-2837.

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 proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss 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

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. 5406

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55815-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 55750-G
Revised 55816-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 55662-G
Revised 55817-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 55751-G
Revised 55818-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 55664-G
Revised 55819-G	TABLE OF CONTENTS	Revised 55752-G
Revised 55820-G	TABLE OF CONTENTS	Revised 55753-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	2.044¢
GT-12RS, Reservation Rate Option	
Reservation Rate, per therm per day	0.669¢
Usage Charge, per therm	1.007¢
Volumetric Transportation Charge for Non-Bypass Customers	2.350¢
Volumetric Transportation Charge for Bypass Customers	2.759¢

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm	50.314¢
Non-Residential Cross-Over Rate, per therm	60.469¢
Residential Core Procurement Charge, per therm	50.314¢
Residential Cross-Over Rate, per therm	60.469¢
Adjusted Core Procurement Charge, per therm	55.262¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

October 2018	84.231¢	D
November 2018	128.083¢	T
December 2018	TBD*	T

Noncore Retail Standby (SP-NR)

October 2018	84.289¢	D
November 2018	128.141¢	T
December 2018	TBD*	T

Wholesale Standby (SP-W)

October 2018	84.289¢	D
November 2018	128.141¢	T
December 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 January 25.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5406
 DECISION NO. 89-11-060 & 90-09-089,
 6H7 et al.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Dec 31, 2018
 EFFECTIVE Dec 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)

October 2018	10.787¢	D
November 2018	5.862¢	I
December 2018	15.096¢	

Wholesale (BR-W)

October 2018	10.787¢	D
November 2018	5.862¢	I
December 2018	15.096¢	

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)

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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

October 2018	84.231¢	D
November 2018	128.083¢	T
December 2018	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

October 2018	84.289¢	D
November 2018	128.141¢	T
December 2018	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

October 2018	84.289¢	D
November 2018	128.141¢	T
December 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 January 25.

(Continued)

(TO BE INSERTED BY UTILITY)
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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

October 2018	10.787¢	D
November 2018	5.862¢	I
December 2018	15.096¢	

Wholesale Service:

BR-W Buy-Back Rate, per therm

October 2018	10.787¢	D
November 2018	5.862¢	I
December 2018	15.096¢	

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)

(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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ATTACHMENT B

ADVICE NO. 5406

**RATE CALCULATION WORKPAPER
BASED ON ADVICE NO. 5388
ADJUSTED CORE PROCUREMENT CHARGE SUBMITTAL
EFFECTIVE DECEMBER 1, 2018**

Adjusted Core Procurement Charge:

Retail G-CPA: **55.262** ¢ per therm
(WACOG: 54.318 ¢ + Franchise and Uncollectibles:
0.944 ¢ or [1.7370% * 54.318 ¢])

Wholesale G-CPA: **55.097** ¢ per therm
(WACOG: 54.318 ¢ + Franchise:
0.779 ¢ or [1.4339% * 54.318 ¢])

Lowest incremental cost of gas purchased during December 2018 is
15.096 cents/therm, which is lower than the following:

GIMB Buy-Back Rates

BR-R = 50% of Retail G-CPA:
50% * 55.262 cents/therm = **27.631** cents/therm

BR-W = 50% of Wholesale G-CPA:
50% * 55.097 cents/therm = **27.549** cents/therm

Therefore: **BR-R** and **BR-W** = **15.096** cents/therm