

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 3, 2019

Advice Letter 5470

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

**SUBJECT: Update to Operation and Maintenance (O&M) fees within Tariff Rate
Schedule No. G-CPS, California Producer Service**

Dear Mr. van der Leeden:

Advice Letter 5470 is effective as of June 30, 2019.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
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RvanderLeeden@semprautilities.com

May 31, 2019

Advice No. 5470
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Update to Operation and Maintenance (O&M) fees within Tariff Rate
Schedule No. G-CPS, California Producer Service**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) proposed revisions to its Schedule No. G-CPS, California Producer Service, as shown in Attachment A.

Purpose

The purpose of this submittal is to revise the O&M fees related to California Producer Service to reflect an update to our current tariff hourly labor rates, overheads and other costs used to calculate the overall O&M fees for each individual interconnector. Schedule No. G-CPS is applicable to all California Producers except those already contractually exempt.

Background

Schedule No. G-CPS was established in Advice No. (AL) 4177-A, pursuant to Resolution G-3489, Decision (D.) 07-08-029 and updated in D.10-09-001, to recover SoCalGas' costs associated with O&M, gas quality monitoring and enforcement, and system modifications from every California Producer. The California Producers are charged by SoCalGas for O&M fees relating to the metering equipment and facilities at the producer's interconnection with the SoCalGas system. The O&M fees are based on fixed and variable cost components.¹ Fixed cost fees have been established for standard scheduled maintenance activities² while variable costs include any site-specific costs incurred by SoCalGas that are not defined in the fixed cost category. The O&M costs are calculated yearly and based upon volumes from the prior year orifice meter reads per Mcf/Y and fixed instrument costs associated with each producer.

¹ D.07-08-029, at 55.

² D.07-08-029, Exhibit 7.

The hourly labor rates, O&M fees, and gas quality monitoring and enforcement fees in the current Schedule No. G-CPS are based on costs to SoCalGas at the time AL 4177-A was submitted. As expected, these fees are to be revised from time to time to reflect changing labor rates, costs of equipment and materials.

Proposed Revisions

The revisions to O&M fees, provided in Schedule G-CPS (Sheet 1), include fully loaded hourly labor rates consistent with the current rates in SoCalGas' January 1, 2019 Collective Bargaining Agreement between SoCalGas and the Utility Workers Union of America, AFL-CIO, International Chemical Workers Union Council, UFCW, AFL-CIO; and labor overhead rates that reflect the average monthly rates in effect for 2018/2019. The fully loaded labor rates include Field Labor, Overtime (Field Labor), Lab Technician, and Engineer rates. The O&M labor costs consist of the weighted average labor rate plus a fixed number of hours per month per interconnector. Instrument costs reflected under item numbers 2, 4, 5, 6A, 6B, and 6C have been updated to reflect the most current costs due to passage of time. Further, the Cost of Odorant is now a fixed average per \$/MMcf of gas delivered vs. per truck delivered due to an additional vendor and varying delivery methods and prices. A table of the rate and fee calculations included in Schedule No. G-CPS is provided as 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 June 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

Copies 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 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

Effective Date

SoCalGas asserts this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. This submittal is consistent with Resolution G-3489, D.07-08-029, and D.10-09-001. Therefore, SoCalGas respectfully requests that this submittal be approved on June 30, 2019, which is 30 days 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 lists in A.04-08-018. 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. 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.

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:
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. 5470

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 56317-G	Schedule No. G-CPS, CALIFORNIA PRODUCER SERVICE, Sheet 1	Original 49713-G
Revised 56318-G	Schedule No. G-CPS, CALIFORNIA PRODUCER SERVICE, Sheet 2	Revised 55329-G
Revised 56319-G	TABLE OF CONTENTS	Revised 56289-G
Revised 56320-G	TABLE OF CONTENTS	Revised 56316-G

Schedule No. G-CPS
CALIFORNIA PRODUCER SERVICE

Sheet 1

APPLICABILITY

Applicable to every California Producer as defined in Rule No. 01 (such producer referenced hereinafter as “California Producer” or “Interconnector”), except where contractually exempted. Exhibit A lists major equipment required of a California Producer.

TERRITORY

Applicable throughout the service territory.

FEES

All fees shall be based on the then current actual costs.

Summary of Rates and Fees

Hourly Labor Rates (Fully Loaded)

1. Field Labor	\$103.12	R
2. Overtime, Field Labor	\$136.17	
3. Lab Technician	\$102.40	R
4. Engineer	\$151.08	I

Operation and Maintenance (O&M) Fees (For Individual Interconnection)

1. Meter Set Assembly – Routine Maintenance, per month	\$2,033.00	I
2. Cost of Odorant per \$/MMcf	\$1.53	N,D,I
3. Interconnection-Specific	Actual Costs	
4. H ₂ S Monitoring, per month	\$194.00	I
5. Moisture analyzer, per month	\$82.00	R
6A Conventional Gas Chromatograph, per month	\$1,188.00	I
6B. Modular Gas Chromatograph, per month	\$832.00	R
6C. Oxygen Analyzer, per month	\$50.00	R
7. Temporary Gas Chromatograph, per day	\$100*	
8. Replacement Parts	Actual Costs	
9. Visits Outside Normal Business Hours (Four-Hr. Min. Charge)	Overtime Labor Rate	
10. Non-Standard Work	Actual Costs	
11. Capital Costs	Actual Costs	

* Plus Lab Technician labor to install, set up, commission, and un-install.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5470
 DECISION NO.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED May 31, 2019
 EFFECTIVE Jun 30, 2019
 RESOLUTION NO. _____

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 two vendors that are being used to calculate odorant costs are CP-Scentinel® and Odor-Tech-Arkema. The current costs of CP- Scentinel® range between \$3.48 to \$5.48 per pound and the current design usage rate is 0.40lb/MMcf. The current costs of Odor-Tech-Arkema range between \$3.35 to \$5.35 per pound and the current design usage rate is 0.40lb/MMcf. The average price per \$/MMcf is \$1.53.
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. H₂S Monitoring – Interconnections with lead acetate tape monitors shall pay an additional monthly base fee, shown above, for each monitor.

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(Continued)

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 Regulatory Affairs

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 SUBMITTED May 31, 2019
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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	55710-G,25006-G
G-PAL	Operational Hub Services	45363-G,45364-G,45365-G
G-CPS	California Producer Service	56317-G,56318-G,49715-G,49716-G 49717-G,54240-G,56287-G,56288-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)

ADVICE LETTER NO. 5470
DECISION NO.

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED May 31, 2019
EFFECTIVE Jun 30, 2019
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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.

GENERAL

Cal. P.U.C. Sheet No.

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Table of Contents--List of Cities and Communities Served	55739-G
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PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,54726-G,24334-G,48970-G
Part II Summary of Rates and Charges	56291-G,56292-G,56293-G,56201-G,56202-G,56313-G 56243-G,46431-G,46432-G,56070-G,56252-G,56253-G,56254-G,56207-G
Part III Cost Allocation and Revenue Requirement	55785-G,50447-G,55142-G
Part IV Income Tax Component of Contributions and Advances	55717-G,24354-G
Part V Balancing Accounts	
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Core Fixed Cost Account (CFCA)	53433-G,53434-G,55692-G,53436-G
Noncore Fixed Cost Account (NFCA)	53255-G,55693-G,54509-G
Enhanced Oil Recovery Account (EORA)	49712-G
Noncore Storage Balancing Account (NSBA)	52886-G,52887-G
California Alternate Rates for Energy Account (CAREA)	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
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Pension Balancing Account (PBA)	54544-G,52941-G
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Integrated Transmission Balancing Account (ITBA)	49313-G

(Continued)

(TO BE INSERTED BY UTILITY)
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ATTACHMENT B

Advice No. 5470

Proposed Revisions

Advice No. 5470
Attachment B

<u>Hourly Labor Rates (Fully Loaded):</u>	Current Fees per	Proposed Update	Proposed Change
	AL4177-A	Labor Rate & OH rates	
1) Field Labor	\$110.75	\$103.12	(\$7.63)
2) Overtime, Field Labor	\$151.79	\$136.17	(\$15.62)
3) Lab Technician	\$120.00	\$102.40	(\$17.60)
4) Engineer	\$138.66	\$151.08	\$12.42
<u>Operation and Maintenance (O&M) Fees (For Individual Interconnection)</u>			
1. Meter Set Assembly – Routine Maintenance, per month	\$1,729	\$2,033	\$304.04
2. ODORANT			
2. Cost of Odorant per \$/MMcf	N/A	\$1.53	N/A
2A. T50 Odorant Large Truck	\$1.39	N/A	N/A
2B. T50 Odorant, per MMcf of gas delivered (Small Truck)	\$2.19	N/A	N/A
2C. THT Odorant, per MMcf of gas delivered (Large Truck)	\$4.04	N/A	N/A
2D. THT Odorant, per MMcf of gas delivered (Small Truck)	\$5.54	N/A	N/A
3. Interconnection-Specific	Actual Costs	Actual Costs	n/a
4. H2S Monitoring	\$181	\$194	\$12.92
5. Moisture analyzer, per month	\$83	\$82	(\$1.27)
6. Gas Chromatograph			
6A. Gas Chromatograph, per month	\$1,124	\$1,188	\$63.60
6B. Modular Gas Chromatograph, per month	\$836	\$832	(\$4.42)
6C. Oxygen Analyzer, per month	\$52	\$50	(\$1.91)
7. Temporary Gas Chromatograph, per day	\$100.00*	\$100.00*	n/a
8. Replacement Parts	Actual Costs	Actual Costs	n/a
9. Visits Outside Normal Business Hours (Four-Hr. Min. Charge)	O/T Labor Rate	O/T Labor Rate	n/a
10. Non-Standard Work	Actual Costs	Actual Costs	n/a
11. Capital Costs	Actual Costs	Actual Costs	n/a
<u>Gas Quality Monitoring and Enforcement Fees (For Individual Interconnection)</u>			
1. One-Time Fee	\$1,860.00	\$1,860.00	\$0.00
2. New Data Collection System, per month	\$538.00	\$538.00	\$0.00
3. PLC/RTU Modification	\$8,937.00	\$8,937.00	\$0.00
4. New PLC/RTU Installation	Actual Costs	Actual Costs	n/a
<u>System Modification Fees</u>			
1. System Modification Fee (SMF) \$/month/mmcf of interconnection ca	\$0.00	\$0.00	\$0.00

¹ Due to the addition of a second vendor and multitude delivery methods and prices, the average cost \$/mmcf is now being used.