

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 26, 2020

**Advice Letter 5597-G**

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

**SUBJECT: Revisions to Schedule Nos. G-BSS, G-LTS, and G-TBS Pursuant to Decision  
(D.) 09-11-006**

Dear Mr. van der Leeden:

Advice Letter 5597-G is effective as of April 1, 2020.

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@socalgas.com](mailto:RvanderLeeden@socalgas.com)

February 28, 2020

Advice No. 5597  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Revisions to Schedule Nos. G-BSS, G-LTS, and G-TBS Pursuant to Decision (D.) 09-11-006**

Southern California Gas Company (SoCalGas) hereby submits revisions to its tariff Schedule Nos. G-BSS (Basic Storage Service), G-LTS (Long-Term Storage Service), and G-TBS (Transaction Based Storage Service), as shown on Attachment A.

### **Purpose**

This compliance submittal seeks approval of the California Public Utilities Commission (Commission) to revise Schedule Nos. G-BSS, G-LTS, and G-TBS to decrease the In-Kind Energy Charge from 6.04% to 5.19%, effective April 1, 2020.

### **Background**

In D.09-11-006, the Commission approved San Diego Gas & Electric Company's and SoCalGas' 2009 Biennial Cost Allocation Proceeding (BCAP) Phase Two Settlement Agreement (SA).<sup>1</sup> Section II.B.2.G (page 10) of the SA states:

**The initial injection fuel rate shall be set at 2.4% for the first full storage year under this settlement commencing on April 1, 2010, and shall be adjusted for each subsequent storage year under this settlement on the basis of a three-year rolling average.**

The term "initial injection fuel rate," used in the SA, is synonymous with the term "In-Kind Energy Charge," which has been used in Schedule Nos. G-BSS, G-LTS, and G-TBS.

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<sup>1</sup> Appendix A to D.09-11-006.

On December 8, 2009, SoCalGas submitted revisions to its tariffs (including Schedule Nos. G-BSS, G-LTS, and G-TBS) with Advice No. (AL) 4047 to comply with Ordering Paragraph (OP) 4 of D.09-11-006 to implement and carry out the terms and conditions of the SA and to present the necessary tariff revisions. The revisions to Schedule Nos. G-BSS, G-LTS, and G-TBS, which also reflected the initial In-Kind Energy Charge of 2.40%, were approved by the Energy Division on January 19, 2010 and made effective April 1, 2010 for the 2010 storage year (April 1, 2010 through March 31, 2011). Subsequent advice letters submitted annually used the same Commission-approved methodology of three-year rolling average for the calculation of In-Kind Energy Charges were approved by the Commission.

In OP 18 of D.16-06-039 the Commission authorized SoCalGas to sell an *equivalent* gas compressor fuel volume in order to pay for the electricity costs of the electric compressors at SoCalGas' storage fields. The Aliso Canyon Turbine Replacement (ACTR) project was placed into service in May of 2018. Using performance data from 2019, an electric cost adjustment has now been applied, in addition to the previous three-year average rate calculation, to accommodate Southern California Edison Company's electricity bills. The adjustment uses the current forward Border price strip to anticipate the additional Dth collection requirements to pay for electricity within the 2020-21 Storage year.

SoCalGas has determined that, on the basis of three-year rolling average, along with a new adjustment for electric compression costs, the In-Kind Energy Charge for the 2020 Storage Year (April 1, 2020 through March 31, 2021) should be 5.19%. The back-up calculations for the In-Kind Energy Charge for the 2020 storage year are shown on Attachment B. SoCalGas believes that the tariff revisions shown on Attachment A are necessary to implement the Commission's decision.

### **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 with the Commission, which is March 19, 2020. 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@socalgas.com](mailto:ROrtiz@socalgas.com)

### **Effective Date**

SoCalGas believes that this submittal 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 D.09-11-006. Therefore, SoCalGas respectfully requests that this submittal be approved on March 30, 2020, which is thirty (30) calendar days after the date submitted, but made effective April 1, 2020 (see the Background section above).

SoCalGas requests the revised tariffs be approved at least two days before the effective date. The requested minimum two-day time lag between the approval date and the effective date is based on the time that is needed to reflect the new In-Kind Energy Charge in SoCalGas' Electronic Bulletin Board, ENVOY® and allow shippers/customers to adjust their gas deliveries and meet nomination deadlines.

### **Notice**

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list for A.18-07-024, 2020 TCAP. 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. 5597

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 57274-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 2	Revised 56065-G
Revised 57275-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 3	Revised 56066-G
Revised 57276-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 3	Revised 56067-G
Revised 57277-G	TABLE OF CONTENTS	Revised 57225-G
Revised 57278-G	TABLE OF CONTENTS	Revised 57226-G

Schedule No. G-BSS  
BASIC STORAGE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Withdrawal

Reservation Charge for withdrawal capacity reserved for year

Rate, per decatherm/day ..... \$11.584

The above reservation charge shall apply to the customer's reserved basic storage annual withdrawal capacity and shall be billed in twelve equal monthly installments during the storage year.

All reservation charges for firm basic storage service are applicable whether the storage service is used or not and shall not be prorated under any circumstances.

In-Kind Energy Charges

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

Rate, percent reduction ..... 5.19%

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

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5597  
 DECISION NO. 09-11-006

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Feb 28, 2020  
 EFFECTIVE Apr 1, 2020  
 RESOLUTION NO. \_\_\_\_\_

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Schedule No. G-LTS  
LONG-TERM STORAGE SERVICE

Sheet 3

(Continued)

RATES (Continued)

In-Kind Energy Charges

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

Rate, percent reduction ..... 5.19%

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

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.
2. Storage service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule F, Long-Term Storage Service (Form Nos. 6597 and 6597-6) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The minimum contract term for service under this schedule shall be three years and the maximum contract term shall be fifteen years.
6. The storage year for long-term contract service shall begin on April 1 and continue thereafter for a twelve month period. Eligible customers may contract for long-term storage service anytime during this period but the annual reservation charges applicable for the initial storage year shall not be prorated unless otherwise agreed to by the Utility.

(Continued)

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R

Schedule No. G-TBS  
TRANSACTION BASED STORAGE SERVICE

Sheet 3

(Continued)

RATES (Continued)

In-Kind Energy Charges

In-Kind Energy Charge, applied to all quantities delivered for injection during the year

Rate, percent reduction ..... 5.19%

The In-Kind Energy Charge shall be the same for all core and noncore injections and be adjusted as necessary on the basis of a three-year rolling average of actual and electric-equivalent fuel use.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in this rate schedule and the Utility's other tariff schedules are contained in Rule No. 1.
2. Service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract (Form No. 6597) and an executed Master Services Contract, Schedule I, Transaction Based Storage Service (Form No. 6597-11) are required (referred to in this schedule collectively as the "Contract"). All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The contract term for service under this schedule shall be set forth in the customer's Contract.
6. Any quantity of storage gas that is in excess of the inventory rights remaining after: a) the customer's storage Contract term expires; or b) the customer trades away some or all of its inventory rights; or c) the customer's storage Contract is terminated, for whatever reason, prior to the completion of the term of such Contract shall be immediately purchased by the Utility at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.

(Continued)

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Advice No. 5597

Attachment B - In-Kind Energy Charge Calculation

**2017 - 2019 Operations Data**

	<u>Total Storage Fuel Usage</u> (Mcf)	<u>Official Storage Injection Total</u> (Mcf)
* 3 Year Totals :	<b>2,417,653</b>	<b>134,082,611</b>
In-Kind Energy, Gas % =	= $\frac{\text{Fuel}}{(\text{Fuel} + \text{Injections})}$	= $\frac{2,417,653}{(2,417,653 + 134,082,611)}$
		= <b>1.77%</b>
* 2019 Gas Compression Requirement :	<b>264,878</b>	<b>14,700,000</b>
** Forecast Adj for 2020 ACTR Cost :	<b>1,263,828</b>	<b>13,200,000</b> ***
2020 Adjusted Totals :	<b>1,528,706</b>	<b>27,900,000</b> ****
In-Kind Energy (%) =	= $\frac{\text{Fuel}}{(\text{Fuel} + \text{Injections})}$	= $\frac{1,528,706}{(1,528,706 + 27,900,000)}$
<b>In-Kind Charge Requirement for 2020-21 Storage Year =</b>		<b>5.19%</b>

\* All Non-Aliso Gas fired Compression (excluding ACTR EDC's)  
 \*\* Costs projection based on 2019 SCE billings and forecasted requirement from 2020-21 Fwd Bdr ICE Market Strip;  
 Credit Adjustment based on Gas Sales, In-kind Collections, relative to SCE-CPA Bills  
 \*\*\* Forecasted Injections required @ Aliso to return the Inventory to 34 Bcf by Nov 1st 2020  
 \*\*\*\* System Injections Required to refill Storage to 84.9 Bcf as of Gas Day 2/26/20