



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

8315 Century Park Ct.
San Diego, CA 92123-1550
Tel: 858.654.1773
Fax 858.654.1788
srahon@SempraUtilities.com

August 30, 2002

Advice No. 3185
(U 904 G)

Public Utilities Commission of the State of California

Subject: August 2002 Buy-Back Rates

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This routine monthly filing updates the Buy-Back Rates in Schedule No. G-IMB for August 2002.

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 Utility during the month the imbalance was incurred; or 2) 50% of the applicable core subscription procurement charge during the month such excess imbalance was incurred.

Information

During the month of August 2002, 50% of the core subscription procurement charge is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for August 2002 are being set accordingly. The workpaper showing details of the calculation of these rates is incorporated herein as Attachment C.

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets.

Pursuant to Resolution G-3316, the August 2002 Standby Procurement Charges will be filed by separate advice letter at least one day prior to September 25, 2002.

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 this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jjr@cpuc.ca.gov) and to Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. 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: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Effective Date

It is requested that the tariff sheets filed herein be made effective August 31, 2002 to coincide with SoCalGas' Core Subscription Procurement Rate filing in Advice No. 3177, dated July 31, 2002.

Notice

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

ATTACHMENT A

Advice No. 3185

(See Attached Service List)

ACN Energy
 Hans Herzog
 hans.herzog@acnenergy.com

ACN Energy
 Mark Warno
 mark.warno@acnenergy.com

ACN Energy
 Tony Cusati
 tony.cusati@acnenergy.com

AFBCA/DB March
 3430 Bundy Ave., Bldg. 3408
 March AFC, CA 92518-1504

Aglet Consumer Alliance
 James Weil
 jweil@aglet.org

Alcantar & Kahl
 Elizabeth Westby
 egw@a-klaw.com

Alcantar & Kahl
 Kari Harteloo
 klc@a-klaw.com

Alcantar & Kahl LLP
 Phil Vizcarra
 120 Montgomery Street, Ste 2200
 San Francisco, CA 94104

BP Amoco, Reg. Affairs
 Marianne Jones
 501 West Lake Park Blvd.
 Houston, TX 77079

Barkovich & Yap
 Catherine E. Yap
 ceyap@earthlink.net

Berliner, Camdon & Jimison
 John Jimison
 johnj@bcjlaw.com

Beta Consulting
 John Burkholder
 burkee@cts.com

CPUC
 Consumer Affairs Branch
 505 Van Ness Ave., #2003
 San Francisco, CA 94102

CPUC
 Energy Rate Design & Econ.
 505 Van Ness Ave., Rm. 4002
 San Francisco, CA 94102

CSC Energy
 Ron McKillip
 rmckilli@csc.com

California Energy Market
 Lulu Weinzimer
 luluw@newsdata.com

Calpine Corp
 Avis Clark
 aclark@calpine.com

City of Anaheim
 Ben Nakayama
 Public Utilities Dept.
 P. O. Box 3222
 Anaheim, CA 92803

City of Azusa
 Light & Power Dept.
 215 E. Foothill Blvd.
 Azusa, CA 91702

City of Banning
 Paul Toor
 P. O. Box 998
 Banning, CA 92220

City of Burbank
 Fred Fletcher/Ronald Davis
 164 West Magnolia Blvd., Box 631
 Burbank, CA 91503-0631

City of Colton
 Thomas K. Clarke
 650 N. La Cadena Drive
 Colton, CA 92324

City of Glendale
 Larry Silva
 lsilva@ci.glendale.ca.us

City of Lompoc
 H. Paul Jones
 100 Civic Center Plaza
 Lompoc, CA 93438

City of Long Beach, Gas Dept.
 Chris Garner
 2400 East Spring Street
 Long Beach, CA 90806-2385

City of Los Angeles
 City Attorney
 1700 City Hall East
 Los Angeles, CA 90012

City of Pasadena
 Manuel A. Robledo
 150 S. Los Robles Ave., #200
 Pasadena, CA 91101

City of Riverside
 Stephen Aronson
 saronson@ci.riverside.ca.us

City of Vernon
 Kenneth J. DeDario
 kdedario@ci.vernon.ca.us

Coral Energy
 Walter Cinibulk
 wcinibulk@coral-energy.com

County of Los Angeles
Stephen Crouch
1100 N. Eastern Ave., Room 300
Los Angeles, CA 90063

Davis, Wright, Tremaine
Judy Pau
judypau@dwt.com

Downey, Brand, Seymour & Rohwer
Ann Trowbridge
atrowbridge@dbsr.com

Dynegy
Joseph M. Paul
jmpa@dynegy.com

Energy Law Group, LLP
Andrew Skaff
askaff@energy-law-group.com

Gas Purchasing
BC Gas Utility Ltd.
16705 Fraser Highway
Surrey, British Columbia, V3S 2X7

Goodin, MacBride, Squeri
J. H. Patrick
hpatrick@gmssr.com

David Huard
dhuard@manatt.com

Jeffer, Mangels, Butler & Marmaro
One Sansome Street, 12th Floor
San Francisco, CA 94104-4430

Law Offices of William H. Booth
William Booth
wbooth@booth-law.com

Crossborder Energy
Tom Beach
tomb@crossborderenergy.com

Dept. of General Services
Celia Torres
celia.torres@dgs.ca.gov

Downey, Brand, Seymour & Rohwer
Phil Stohr
pstohr@dbsr.com

Edson & Modisette
925 L Street, Ste 1490
Sacramento, CA 95814

Energy Law Group, LLP
Diane Fellman
difellman@energy-law-group.com

General Services Administration
Dir., Public Utility Services Div.
Public Bldgs. Serv., Rm. 7325
18th and F Streets, N.W.
Washington, D.C. 20405

Goodin, MacBride, Squeri
James D. Squeri
jsqueri@gmssr.com

Imperial Irrigation District
K. S. Noller
P. O. Box 937
Imperial, CA 92251

LADWP
Nevenka Ubavich
nubavi@ladwp.com

LeBoeuf, Lamb, Greene
Christopher Hilén
chilen@llgm.com

Davis Wright Tremaine, LLP
Edward W. O'Neill
One Embarcadero Center, #600
San Francisco, CA 94111-3834

Dan Douglass
douglass@energyattorney.com

Downey, Brand, Seymour & Rohwer
Dan Carroll
dcarroll@dbsr.com

El Paso Natural Gas Company
Richard O. Baish
P. O. Box 1492
El Paso, TX 79978

Enserch Gas Marketing, Inc.
Cathy Hawes
353 Sacramento, St., Suite 400
San Francisco, CA 94111

General Services Administration
Facilities Management (9PM-FT)
450 Golden Gate Ave.
San Francisco, CA 94102-3611

Hanna & Morton
Norman A. Pedersen, Esq.
npedersen@hanmor.com

JBS Energy
Jeff Nahigian
jeff@jbsenergy.com

LADWP
Randy Howard
P. O. Box 51111, Rm. 956
Los Angeles, CA 90051-0100

Luce, Forward, Hamilton & Scripps
John Leslie
jleslie@luce.com

MRW & Associates
Robert Weisenmiller
mrw@mrwassoc.com

Matthew Brady & Associates
Matthew Brady
matt@bradylawus.com

National Utility Service, Inc.
Jim Boyle
One Maynard Drive, P. O. Box 712
Park Ridge, NJ 07656-0712

Navigant Consulting, Inc.
Katie Elder
katie_elder@rmiinc.com

Office of Energy Assessments
Bill Knox
bill.knox@dgs.ca.gov

PG&E National Energy Group
Eric Eisenman
eric.eisenman@neg.pge.com

Pacific Gas & Electric Co.
John Clarke
Regulatory R77 Beale, B30A B10C
San Francisco, CA 94105

Praxair Inc
Rick Noger
rick_noger@praxair.com

Questar Southern Trails
Lenard Wright
lenardw@questar.com

Regulatory & Cogen Services, Inc.
Donald W. Schoenbeck
900 Washington Street, #1000
Vancouver, WA 98660

Richard Hairston & Co.
Richard Hairston
hairstonco@aol.com

Southern California Edison Co
Fileroom Supervisor
2244 Walnut Grove Ave., Room 290,
GO1
Rosemead, CA 91770

Southern California Edison Co
Karyn Gansecki
601 Van Ness Ave., #2040
San Francisco, CA 94102

Southern California Edison Co.
Colin E. Cushnice
cushnice@sce.com

Southern California Edison Co.
John Quinlan
john.quinlan@sce.com

Southern California Edison Co.
Kevin Cini
cinikr@sce.com

Southern California Edison Company
Martin Collette
martin.collette@sce.com

Southwest Gas Corp.
Edward Zub
P. O. Box 98510
Las Vegas, NV 89193-8510

Suburban Water System
Bob Kelly
1211 E. Center Court Drive
Covina, CA 91724

Sutherland, Asbill & Brennan
Keith McCrea
kmccrea@sablaw.com

TURN
Marcel Hawiger
marcel@turn.org

TURN
Mike Florio
mflorio@turn.org

Transwestern Pipeline Co.
Kelly Allen
kelly.allen@enron.com

Vandenberg AFB
Ken Padilla
ken.padilla@vandenberg.af.mil

Western Division, Naval Facilities
Engineering Code 1642
900 Commodore Dr.
San Bruno, CA 94066-2402

White & Case
Regulatory Affairs
regaffairs@sf.whitecase.com

ATTACHMENT B
Advice No. 3185

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 35731-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 35669-G*
Revised 35732-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 35670-G
Revised 35733-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 35671-G*
Revised 35734-G	TABLE OF CONTENTS	Revised 35705-G
Revised 35735-G	TABLE OF CONTENTS	Revised 35706-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

June, 2002	\$0.50451	D
July, 2002	\$0.48651	T
August, 2002	TBD*	T

Noncore Retail Standby (SP-NR)

June, 2002	\$0.50516	D
July, 2002	\$0.48716	T
August, 2002	TBD*	T

Wholesale Standby (SP-W)

June, 2002	\$0.50516	D
July, 2002	\$0.48716	T
August, 2002	TBD*	T

Buy-Back Rate

Core and Noncore Retail (BR-R)

June, 2002	7.650¢	D
July, 2002	9.415¢	R
August, 2002	8.313¢	R

Wholesale (BR-W)

June, 2002	7.613¢	D
July, 2002	9.370¢	R
August, 2002	8.273¢	R

* To be determined. Pursuant to Resolution G-3316, the August 2002 Standby Procurement Charge will be filed by separate advice letter at least one day prior to September 25, 2002.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3185
 DECISION NO. 89-11-060 & 90-09-089,
 6H14 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 30, 2002
 EFFECTIVE Aug 31, 2002
 RESOLUTION NO. _____

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 10 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 0.201¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index – Southern California Border Average" and "Gas Daily's Daily Price Survey – SoCal gas, large pkgs Midpoint."

Core Retail Service:

SP-CR Standby Rate, per therm

June, 2002	\$0.50451	D
July, 2002	\$0.48651	T
August, 2002	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

June, 2002	\$0.50516	D
July, 2002	\$0.48716	T
August, 2002	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

June, 2002	\$0.50516	D
July, 2002	\$0.48716	T
August, 2002	TBD*	T

* To be determined. Pursuant to Resolution G-3316, the August 2002 Standby Procurement Charge will be filed by separate advice letter at least one day prior to September 25, 2002.

Buy-Back Rate

This rate is applied to customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 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 Utility during the month the excess imbalance was incurred; or 2) 50% of the applicable core subscription procurement charge during the month such excess imbalance was incurred.

(Continued)

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

RATES (continued)

Buy-Back Rate (continued)

Retail Service:

BR-R Buy-Back Rate, per therm

June, 2002	7.650¢	D
July, 2002	9.415¢	
August, 2002	8.313¢	R

Wholesale Service:

BR-W Buy-Back Rate, per therm

June, 2002	7.613¢	D
July, 2002	9.370¢	
August, 2002	8.273¢	R

If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, 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

During November through March customers are required to deliver (flowing supply and firm storage withdrawal) at a minimum of 50% of burn during a five-day period. Volumes not in compliance with the 50% five-day minimum delivery requirement are purchased at the daily standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the five-day period as published in "NGI's *Daily Gas Price Index*" including authorized franchise fees and, for retail customers, uncollectible expenses (F&U), and an authorized brokerage fee.

When the Utility's total inventory in storage declines to the "peak day minimum + 20 Bcf trigger", the minimum daily delivery requirement increases to 70%. The five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 70% delivery requirement.

When the Utility's total inventory in storage declines to the "peak day minimum + 5 Bcf trigger", the minimum delivery requirement increases to 90% daily. Similar to the 70% regime, the five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 90% delivery requirement.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3185
 DECISION NO. 89-11-060 & 90-09-089,
 3H11 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 30, 2002
 EFFECTIVE Aug 31, 2002
 RESOLUTION NO. _____

TABLE OF CONTENTS

(Continued)

GT-SD	Intrastate Transmission Service	34413-G,30593-G,30594-G,30595-G
GT-RLS	Residual Load Service	27508-G,31497-G,27510-G
GW-LB	Wholesale Natural Gas Service	35699-G,34254-G,32677-G,32678-G,32679-G 32680-G,32681-G
GW-SD	Wholesale Natural Gas Service	35700-G,34415-G,32684-G 32685-G,32686-G
GW-SWG	Wholesale Natural Gas Service	35701-G,34258-G,32689-G 32690-G,32691-G
GW-VRN	Wholesale Natural Gas Service	35702-G,34260-G,32694-G 32695-G,32696-G,32697-G
G-IMB	Transportation Imbalance Service	29614-G,35732-G,35733-G,34915-G 34963-G,33497-G,33498-G
G-ITC	Interconnect Access Service	32698-G,32699-G
G-BSS	Basic Storage Service	32700-G,32701-G,32702-G,32703-G 32704-G,32705-G,32706-G,32707-G
G-AUC	Auction Storage Service	32708-G,32709-G,32710-G,32711-G 32712-G,32713-G,32714-G,32715-G
G-LTS	Long-Term Storage Service	32716-G,32717-G,32718-G,32719-G 32720-G,32721-G,32722-G,32723-G
G-TBS	Transaction Based Storage Service	32724-G,32725-G,27374-G,27375-G 31929-G,27377-G,27378-G
G-CBS	UDC Consolidated Billing Service	34071-G,34072-G,34073-G,33095-G
G-PPPS	Tax Surcharge to Fund Public Purpose Programs	34261-G,34262-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account	24565-G
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	25005-G,25006-G
GIT	Interruptible Interutility Transportation	24567-G,24568-G
GLT	Long-Term Transportation of Customer-Owned Natural Gas	24569-G,24570-G,24571-G
GLT-1	Transportation of Customer-Owned Natural Gas	24572-G,24573-G,24574-G 24575-G,24576-G,24577-G
GLT-2	Transportation of Customer-Owned Natural Gas	24578-G,24579-G,24580-G 24581-G,24582-G,24583-G
G-LOAN	Hub Loaning	34263-G
G-PRK	Hub Parking	34264-G
G-WHL	Hub Service	34418-G

T

(Continued)

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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	21888-G
Table of Contents--General and Preliminary Statement	35735-G,34423-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	35703-G,35704-G,35734-G
Table of Contents--List of Cities and Communities Served	33771-G
Table of Contents--List of Contracts and Deviations	33771-G
Table of Contents--Rules	34696-G,33305-G
Table of Contents--Sample Forms	35416-G,34920-G,34697-G,34698-G,32785-G

PRELIMINARY STATEMENT

Part I General Service Information	24331-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	35674-G,35675-G,34363-G,34364-G,35676-G,35731-G 32491-G,32492-G,34203-G,35677-G,35678-G,34368-G,34369-G
Part III Cost Allocation and Revenue Requirement ...	27024-G,27025-G,27026-G,27027-G,34370-G
Part IV Income Tax Component of Contributions and Advances	35396-G,24354-G
Part V Description of Regulatory Accounts-Balancing	34819-G,34820-G,34371-G 34821-G,34822-G,34823-G,34824-G,34825-G,34826-G,34827-G,34682-G
Part VI Description of Regulatory Accounts-Memorandum	35357-G,34279-G,34280-G 34281-G,34282-G,34283-G,34284-G,34285-G,34286-G,34683-G 34684-G,34289-G,34290-G,34291-G,34829-G,34830-G,34831-G,35358-G,35359-G
Part VII Description of Regulatory Accounts-Tracking	34372-G,34373-G,34374-G 34375-G,34376-G,34377-G,34378-G,34379-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	31776-G,31777-G,31778-G,30523-G,30524-G
Part IX Hazardous Substances Mechanism (HSM)	26199-G,26200-G,26201-G
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3185
 DECISION NO. 89-11-060 & 90-09-089,
 et al.
 1H9

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 30, 2002
 EFFECTIVE Aug 31, 2002
 RESOLUTION NO. _____

T
T

T

ATTACHMENT C

ADVICE NO. 3185

**RATE CALCULATION WORKPAPER
BASED ON ADVICE NO. 3177
CORE SUBSCRIPTION RATE FILING
EFFECTIVE AUGUST 1, 2002**

Core Subscription Procurement Charge:

Retail CS: **16.626¢** per therm
(WACOG: 16.300¢ or [27.700¢ - 11.400¢ credit] + Franchise and Uncollectibles:
0.326¢ or [2.0012% * 16.300¢])

Wholesale CS: **16.545¢** per therm
(WACOG: 16.300¢ or [27.700¢ - 11.400¢ credit] + Franchise:
0.245¢ or [1.5051% * 16.300¢])

G-IMB Buy-Back Rates:

BR-R = 50% of Retail Core Subscription Procurement Charge:
50% * 16.626 cents/therm = **8.313** cents/therm

BR-W = 50% of Wholesale Core Subscription Procurement Charge:
50% * 16.545 cents/therm = **8.273** cents/therm