

J. Steve Rahon
Director
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December 31, 2002

Advice No. 3222 (U 904 G)

Public Utilities Commission of the State of California

Subject: December 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 December 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 December 2002, 50% of the core subscription procurement charge is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for December 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 December 2002 Standby Procurement Charges will be filed by separate advice letter at least one day prior to January 25, 2003.

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 (<u>jir@cpuc.ca.gov</u>) and to Honesto Gatchalian (<u>jnj@cpuc.ca.gov</u>) of the Energy Division. A copy of the protest should also be sent via both e-mail <u>and</u> 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 December 31, 2002 to coincide with SoCalGas' Core Subscription Procurement Rate filing in Advice No. 3212, dated November 27, 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. 3222

(See Attached Service List)

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

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

JBS Energy

Jeff Nahigian

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City of Vernon **Coral Energy County of Los Angeles** Kenneth J. DeDario Walter Cinibulk Stephen Crouch wcinibulk@coral-energy.com kdedario@ci.vernon.ca.us 1100 N. Eastern Ave., Room 300 Los Angeles, CA 90063 **Davis Wright Tremaine, LLP** Davis, Wright, Tremaine **Crossborder Energy** Tom Beach Edward W. O'Neill Judy Pau tomb@crossborderenergy.com One Embarcadero Center, #600 judypau@dwt.com San Francisco, CA 94111-3834 **Dept. of General Services** Dan Douglass Downey, Brand, Seymour & Rohwer **Celia Torres** douglass@energyattorney.com Ann Trowbridge celia.torres@dgs.ca.gov atrowbridge@dbsr.com Downey, Brand, Seymour & Rohwer Downey, Brand, Seymour & Rohwer Dynegy Phil Stohr Dan Carroll Joseph M. Paul pstohr@dbsr.com dcarroll@dbsr.com jmpa@dynegy.com **Edson & Modisette El Paso Natural Gas Company Energy Law Group, LLP** 925 L Street, Ste 1490 Richard O. Baish **Andrew Skaff** Sacramento, CA 95814 P. O. Box 1492 askaff@energy-law-group.com El Paso, TX 79978 **Energy Law Group, LLP** Enserch Gas Marketing, Inc. Gas Purchasing Diane Fellman Cathy Hawes BC Gas Utility Ltd. difellman@energy-law-group.com 353 Sacramento, St., Suite 400 16705 Fraser Highway San Francisco, CA 94111 Surrey, British Columbia, V3S 2X7 **General Services Administration General Services Administration** William Gibson Dir., Public Utility Services Div. **Facilities Management (9PM-FT)** weg@cpuc.ca.gov Public Bldgs. Serv., Rm. 7325 450 Golden Gate Ave. 18th and F Streets, N.W. San Francisco, CA 94102-3611 Washington, D.C. 20405 Goodin, MacBride, Squeri Goodin, MacBride, Squeri Hanna & Morton J. H. Patrick James D. Squeri Norman A. Pedersen, Esq. hpatrick@gmssr.com jsqueri@gmssr.com npedersen@hanmor.com **David Huard** Louise Huen **Imperial Irrigation District** dhuard@manatt.com lou@cpuc.ca.gov K. S. Noller P. O. Box 937 Imperial, CA 92251

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Matthew Brady & Associates Matthew Brady matt@bradylawus.com

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

Praxair Inc Rick Noger rick_noger@praxair.com

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

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

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

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

TURN Mike Florio mflorio@turn.org

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. 3222

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 36177-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 36097-G
Revised 36178-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 36098-G
Revised 36179-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 36043-G
Revised 36180-G	TABLE OF CONTENTS	Revised 36174-G
Revised 36181-G	TABLE OF CONTENTS	Revised 36175-G

Revised Revised CANCELING

CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

36177-G 36097-G

Sheet 6

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PRELIMINARY STATEMENT PART II **SUMMARY OF RATES AND CHARGES**

(Continued)

IMBALANCE SERVICE

Standby	Procurement	Charge
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Core Retail Standby (SP-CR)	***
October, 2002	\$0.65751
November, 2002	\$0.72164
December, 2002	TBD*
Noncore Retail Standby (SP-NR)	
October, 2002	\$0.65816
November, 2002	\$0.72229
December, 2002	TBD*
Wholesale Standby (SP-W)	
October, 2002	\$0.65816
November, 2002	\$0.72229
December, 2002	TBD*
Buy-Back Rate	
Core and Noncore Retail (BR-R)	
October, 2002	. 10.302¢
November, 2002	
	: : r

*	To be determined. Pursuant to Resolution G-3316, the December 2002 Standby Procurement	$ _{\mathrm{T}}$
	· · · · · · · · · · · · · · · · · · ·	
	Charge will be filed by separate advice letter at least one day prior to January 25, 2003.	T

December, 2002

October, 2002

November, 2002

December, 2002

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3222 DECISION NO. 89-11-060 & 90-09-089, et al. 6H10

Wholesale (BR-W)

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) DATE FILED Dec 31, 2002 Dec 31, 2002 **EFFECTIVE** RESOLUTION NO.

18.462¢

10.252¢

11.217¢

18.373¢

Revised Revised CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

36178-G 36098-G

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 0.266ϕ per therm for noncore retail service and all wholesale service, and 0.201ϕ 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."

\sim	D . 11	α	
('ore	Retail	. 56	ervice.

SP-CR Standby Rate, per therm	
October, 2002	\$0.65751
November, 2002	\$0.72164
December, 2002	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
October, 2002	\$0.65816
November, 2002	\$0.72229
December, 2002	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
October, 2002	\$0.65816
November, 2002	\$0.72229
December, 2002	TBD*

To be determined. Pursuant to Resolution G-3316, the December 2002 Standby Procurement Charge will be filed by separate advice letter at least one day prior to January 25, 2003.

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)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3222 DECISION NO. 89-11-060 & 90-09-089, et al.

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & \underline{Dec~31,2002} \\ \text{EFFECTIVE} & \underline{Dec~31,2002} \\ \text{RESOLUTION NO.} \end{array}$

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T T Revised Revised CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

36179-G 36043-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 3

D

(Continued)

RATES (continued)

Buy-Back Rate (continued)

Retail Service:

BR-R Buy-Back Rate, per therm	
October, 2002	10.302¢
November, 2002	11.271¢
December, 2002	18.462¢

Wholesale Service:

BR-W Buy-Back Rate, per therm	
October, 2002	10.252¢
November, 2002	11.217¢
December, 2002	18.373¢

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. 3222 DECISION NO. 89-11-060 & 90-09-089, et al.

ISSUED BY

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Vice President

Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & \underline{Dec~31,~2002} \\ \text{EFFECTIVE} & \underline{Dec~31,~2002} \\ \text{RESOLUTION NO.} \end{array}$

LOS ANGELES, CALIFORNIA CANCELING

TABLE OF CONTENTS

(Continued)

CT CD	Introdutata Transmission Samias	26164 C 20502 C 20504 C 25049 C
GT-SD GT-PS	Intrastate Transmission Service	36164-G,30593-G,30594-G,35948-G 35949-G,35950-G,35951-G,35952-G
G1-P3	Peaking Service	G,35954-G,35955-G,35956-G,35957-G
GW-LB	Wholesale Natural Gas Service 36165-	
GW-LD	wholesale Natural Gas Service 50103-	32680-G,35958-G
CW CD	Wholesale Natural Gas Service	· · · · · · · · · · · · · · · · · · ·
GW-SD	wholesale Natural Gas Service	
GW-SWG	Wholesale Natural Gas Service	
GW-SWG	wholesale Natural Gas Service	
CWADN	Whalasala Natural Cas Samias	32690-G,35960-G
GW-VRN	Wholesale Natural Gas Service	, , , , , , , , , , , , , , , , , , , ,
C D D		32695-G,32696-G,35961-G
G-IMB	Transportation Imbalance Service	
G TTG	.	36102-G,33497-G,33498-G
G-ITC	Interconnect Access Service	· · · · · · · · · · · · · · · · · · ·
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	
G-PPPS	Tax Surcharge to Fund Public Purpose Progra	
G-SRF	Surcharge to Fund Public Utilities Commission	
	Utilities Reimbursement Account	
G-MHPS	Surcharge to Fund Public Utilities Commission	
	Master Metered Mobile Home Park Gas Sa	
	Inspection and Enforcement Program	
G-MSUR	Transported Gas Municipal Surcharge	
GIT	Interruptible Interutility Transportation	
GLT	Long-Term Transportation of Customer-Own	
	Natural Gas	
GLT-1	Transportation of Customer-Owned Natural C	
		24575-G,24576-G,24577-G
GLT-2	Transportation of Customer-Owned Natural C	Gas 24578-G,24579-G,24580-G
		24581-G,24582-G,24583-G
G-LOAN	Hub Loaning	
G-PRK	Hub Parking	
G-WHL	Hub Service	

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3222 89-11-060 & 90-09-089, DECISION NO. et al. 3H8

ISSUED BY Lee Schavrien Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Dec 31, 2002 DATE FILED Dec 31, 2002 **EFFECTIVE** RESOLUTION NO.

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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.
Title Page Table of ContentsGeneral and Preliminary Statement Table of ContentsService Area Maps and Description	36181-G,36176-G as
Table of ContentsRate Schedules	
Table of ContentsList of Cities and Communities Ser	
Table of ContentsList of Contracts and Deviations	
Table of ContentsRules	
PRELIMINARY STATEMENT	
Part I General Service Information	24331-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges 36113-0	G 3611/1-G 36115-G 36116-G 36117-G 36177-G
	G,36109-G,36118-G,36119-G,36120-G,36121-G
Part III Cost Allocation and Revenue Requirement	27024-G,27025-G,27026-G,27027-G,36122-G
Part IV Income Tax Component of Contributions and A	Advances
Part V Description of Regulatory Accounts-Balancing 34821-G,34822-G,34823-G,34824-G,34825-G	35874-G,34820-G,34371-G G,34826-G,34827-G,34682-G,35770-G,35874-G
Part VI Description of Regulatory Accounts-Memoran	dum
	G,34283-G,34284-G,34285-G,34286-G,34683-G
	G,34829-G,34830-G,34831-G,35358-G,35359-G
Part VII Description of Regulatory Accounts-Tracking	
	34375-G,34376-G,34377-G,34378-G,34379-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	35876-G,35877-G,35878-G,35879-G 35880-G,35881-G
Part IX Hazardous Substances Mechanism (HSM)	
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3222 DECISION NO. 89-11-060 & 90-09-089, et al.

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & \underline{Dec~31,~2002} \\ \text{EFFECTIVE} & \underline{Dec~31,~2002} \\ \text{RESOLUTION NO.} \end{array}$

ATTACHMENT C

ADVICE NO. 3222

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3212 CORE SUBSCRIPTION RATE FILING EFFECTIVE DECEMBER 1, 2002

Core Subscription Procurement Charge:

Retail CS: **36.924¢** per therm (WACOG: 36.200¢ or [39.400¢ - 3.200¢ credit] + Franchise and Uncollectibles: 0.724¢ or [2.0012% * 36.200¢])

Wholesale CS: **36.745**¢ per therm (WACOG: 36.200¢ or [39.400¢ - 3.200¢ credit] + Franchise: 0.545¢ or [1.5051% * 36.200¢])

G-IMB Buy-Back Rates:

BR-R = 50% of Retail Core Subscription Procurement Charge: 50% * 36.924 cents/therm = **18.462** cents/therm

BR-W = 50% of Wholesale Core Subscription Procurement Charge: 50% * 36.745 cents/therm = **18.373** cents/therm