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April 21, 2003

Advice No. 3257
(U 904 G)

Public Utilities Commission of the State of California

Subject: March 2003 Standby Procurement Charges

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 Standby Procurement Charges in Schedule No. G-IMB for March 2003.

Background

Resolution G-3316, dated May 24, 2001, revised the Schedule No. G-IMB Standby Procurement Charge for negative monthly transportation imbalances that exceed the 10% tolerance band. The Standby Procurement Charges are:

1. Calculated at 150% of the highest daily border price index at the Southern California border for the 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."
2. Calculated for a period that begins from the first day of the "flow month" (the month that the imbalance is incurred) and ends five days prior to the start of the imbalance trading period.
3. Posted at least one day in advance of the imbalance trading period.

Information

For the "flow month" of March 2003 (covering the period March 1 to April 20), the highest daily border price index at the Southern California border is \$0.93025 per therm. The

resultant Standby Procurement Charges, calculated in the manner set forth above, are \$1.39804 per therm for noncore retail service and all wholesale service, and \$1.39739 per therm for core retail service. The workpaper showing details of the calculation of these rates is incorporated herein as Attachment C.

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 received within 20 days of the date of 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 Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. 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: 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 respectfully requested that the tariff sheets filed herein be made effective April 21, 2003, the date filed, in order to comply with the Resolution G-3316 requirement that the rates be posted at least one day in advance of the start of the imbalance trading period, which is April 25, 2003.

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. 3257

(See Attached Service List)

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ATTACHMENT B
Advice No. 3257

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 36477-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 36413-G
Revised 36478-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 36414-G
Revised 36479-G	TABLE OF CONTENTS	Revised 36467-G
Revised 36480-G	TABLE OF CONTENTS	Revised 36468-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

January, 2003	\$0.81914	
February, 2003	\$1.46826	
March, 2003	\$1.39739*	R

Noncore Retail Standby (SP-NR)

January, 2003	\$0.81979	
February, 2003	\$1.46891	
March, 2003	\$1.39804*	R

Wholesale Standby (SP-W)

January, 2003	\$0.81979	
February, 2003	\$1.46891	
March, 2003	\$1.39804*	R

Buy-Back Rate

Core and Noncore Retail (BR-R)

January, 2003	23.716¢	
February, 2003	25.858¢	
March, 2003	39.526¢	

Wholesale (BR-W)

January, 2003	23.600¢	
February, 2003	25.732¢	
March, 2003	39.333¢	

* Pursuant to Resolution G-3316, the March 2003 Standby Procurement Charge will be filed by separate advice letter at least one day prior to April 25, 2003. T

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3257
 DECISION NO.

648

ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Apr 21, 2003
 EFFECTIVE Apr 21, 2003
 RESOLUTION NO. G-3316

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

January, 2003	\$0.81914	
February, 2003	\$1.46826	
March, 2003	\$1.39739*	R

Noncore Retail Service:

SP-NR Standby Rate, per therm

January, 2003	\$0.81979	
February, 2003	\$1.46891	
March, 2003	\$1.39804*	R

Wholesale Service:

SP-W Standby Rate per therm

January, 2003	\$0.81979	
February, 2003	\$1.46891	
March, 2003	\$1.39804*	R

* Pursuant to Resolution G-3316, the March 2003 Standby Procurement Charge will be filed by separate advice letter at least one day prior to April 25, 2003. T

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.

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 RESOLUTION NO. G-3316

TABLE OF CONTENTS

(Continued)

GT-SD	Intrastate Transmission Service	36164-G,30593-G,30594-G,36311-G
GT-PS	Peaking Service	36215-G,36216-G,36217-G,36218-G 36219-G,36220-G,35955-G,35956-G,35957-G
GW-LB	Wholesale Natural Gas Service	36462-G,35885-G,32677-G,32678-G,32679-G 32680-G,35958-G
GW-SD	Wholesale Natural Gas Service	36463-G,36166-G,32684-G 32685-G,35959-G
GW-SWG	Wholesale Natural Gas Service	36464-G,35887-G,32689-G 32690-G,35960-G
GW-VRN	Wholesale Natural Gas Service	36465-G,35888-G,32694-G 32695-G,32696-G,35961-G
G-IMB	Transportation Imbalance Service	36312-G,36478-G,36415-G,36409-G 36451-G,36313-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,36314-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,36315-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	36106-G,34262-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account	36110-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	36169-G
G-PRK	Hub Parking	36170-G
G-WHL	Hub Service	36171-G

(Continued)

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 Regulatory Affairs

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DATE FILED Apr 21, 2003
 EFFECTIVE Apr 21, 2003
 RESOLUTION NO. G-3316

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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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	21888-G
Table of Contents--General and Preliminary Statement	36480-G,36176-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	36447-G,36466-G,36479-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	36331-G,36353-G
Table of Contents--Sample Forms	36236-G,36333-G,36354-G,36238-G,36239-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	36418-G,36419-G,36115-G,36116-G,36420-G,36477-G 32491-G,32492-G,36109-G,36421-G,36422-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 Advances	35396-G,24354-G
Part V Description of Regulatory Accounts-Balancing	35874-G,34820-G,34371-G 34821-G,34822-G,34823-G,34824-G,34825-G,34826-G,34827-G,34682-G,35770-G,35874-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	36022-G,34373-G,34374-G 34375-G,34376-G,34377-G,34378-G,34379-G,36023-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)	26199-G,26200-G,26201-G
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(Continued)

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ATTACHMENT C

ADVICE NO. 3257

**RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING
EFFECTIVE MARCH 2003**

G-IMB Standby Procurement Charge Calculation

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."

The highest daily border price index for the period was on March 3, 2003.

3/3/03 NGI's Daily Gas Price Index (NDGPI) = \$0.9210 per therm

3/3/03 Gas Daily's Daily Price Survey (GDDPS) = \$0.9395 per therm

Highest Daily Border Price Index (HDBPI) = (NDGPI + GDDPS) / 2

HDBPI = \$0.93025 per therm

SP-CR (Core Retail) = 150% x HDBPI + Core Brokerage Fee

SP-CR = 150% x \$ 0.93025 + \$ 0.00201 = \$ 1.39739

SP-NR (Noncore Retail) = 150% x HDBPI + Noncore Brokerage Fee

SP-NR = 150% x \$ 0.93025 + \$ 0.00266 = \$ 1.39804

SP-W (Wholesale) = 150% x HDBPI + Noncore Brokerage Fee

SP-W = 150% x \$ 0.93025 + \$ 0.00266 = \$ 1.39804