

J. Steve Rahon
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May 5, 2003

Advice No. 3258-A (U 904 G)

Public Utilities Commission of the State of California

Subject: SUPPLEMENTAL - April 2003 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

Advice No. 3258 filed on April 30, 2003 set the Buy-Back Rates in Schedule No. G-IMB at 50% of the core subscription procurement charge for April 2003. However, upon review of actual gas purchases during April 2003, it was discovered that there was a purchase lower than 50% of the core subscription procurement charge. This supplemental filing replaces Advice No. 3258 in its entirety and corrects the inadvertent error.

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 April 2003, the lowest incremental cost of gas, which is 23.477 cents per therm, is lower than 50% of the core subscription procurement charge. Therefore, the Buy-Back Rates for April 2003 are being set at the lowest incremental cost of gas. 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 April 2003 Standby Procurement Charges will be filed by separate advice letter at least one day prior to May 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 (jir@cpuc.ca.gov) and to Honesto Gatchalian (jin@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 April 30, 2003 to coincide with SoCalGas' Core Subscription Procurement Rate filing in Advice No. 3250, dated March 28, 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. 3258-A

(See Attached Service List)

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ATTACHMENT B Advice No. 3258-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 36530-G	PRELIMINARY STATEMENT, PART II,	Revised 36484-G
	SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 36477-G
Revised 36531-G	Schedule No. G-IMB, TRANSPORTATION	Revised 36485-G
	IMBALANCE SERVICE, Sheet 2	Revised 36478-G
Revised 36532-G	Schedule No. G-IMB, TRANSPORTATION	Revised 36486-G
	IMBALANCE SERVICE, Sheet 3	Revised 36415-G
Revised 36533-G	TABLE OF CONTENTS	Revised 36520-G
Revised 36534-G	TABLE OF CONTENTS	Revised 36521-G

Revised

CAL. P.U.C. SHEET NO.

36530-G 36484-G 36477-G

Sheet 6

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LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO.

(Continued)

IMBALANCE SERVICE

Standby Procurement Charge

Core and Noncore Retail (BR-R)

Core Retail Standby (SP-CR)	
February, 2003	\$1.46826
March, 2003	\$1.39739
April, 2003	TBD*
Noncore Retail Standby (SP-NR)	
February, 2003	\$1.46891
March, 2003	\$1.39804
April, 2003	TBD*
Wholesale Standby (SP-W)	
February, 2003	\$1.46891
March, 2003	\$1.39804
	TBD*

March, 2003	39.526¢
April, 2003	
1 /	,
Wholesale (BR-W)	
February, 2003	25.732¢
March, 2003	39.333¢
April, 2003	23.477¢

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3258-A DECISION NO. 89-11-060~&~90-09-089, et al.

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & \underline{May \ 5, 2003} \\ \text{EFFECTIVE} & \underline{Apr \ 30, 2003} \\ \text{RESOLUTION NO.} \end{array}$

^{*} To be determined (TBD). Pursuant to Resolution G-3316, the April 2003 Standby Procurement Charge will be filed by separate advice letter at least one day prior to May 25, 2003.

Revised Revised LOS ANGELES, CALIFORNIA CANCELING

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

36531-G 36485-G

36478-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

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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 0.201ϕ 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."

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SP-CR Standby Rate, per therm	
February, 2003	\$1.46826
March, 2003	\$1.39739
April, 2003	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
February, 2003	
March, 2003	
April, 2003	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
February, 2003	\$1.46891
March, 2003	
April, 2003	TBD*

To be determined (TBD). Pursuant to Resolution G-3316, the April 2003 Standby Procurement Charge will be filed by separate advice letter at least one day prior to May 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.

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(TO BE INSERTED BY UTILITY) 3258-A ADVICE LETTER NO. DECISION NO. 89-11-060 & 90-09-089. et al. 2H8

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Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) DATE FILED May 5, 2003 Apr 30, 2003 **EFFECTIVE** RESOLUTION NO.

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

36532-G 36486-G

LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 36486-G 36415-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 3

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RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm	
February, 2003	25.858¢
March, 2003	39.526¢
April 2003	23 477¢

Wholesale Service:

BR-W Buy-Back Rate, per therm	
February, 2003	25.732¢
March, 2003	39.333¢
April, 2003	23.477¢

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.

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3258-A DECISION NO. 89-11-060 & 90-09-089, et al.

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Vice President

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(TO BE INSERTED BY CAL. PUC)

DATE FILED May 5, 2003

EFFECTIVE Apr 30, 2003

RESOLUTION NO.

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GW-SD	Wholesale Natural Gas Service
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GW-SWG	Wholesale Natural Gas Service
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G-BSS	Basic Storage Service
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G-AUC	Auction Storage Service
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G-LTS	Long-Term Storage Service
G EDG	32720-G,32721-G,32722-G,32723-G
G-TBS	Transaction Based Storage Service
G GDG	31929-G,36315-G,27378-G
G-CBS	UDC Consolidated Billing Service
G-PPPS	Tax Surcharge to Fund Public Purpose Programs
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 Safety
	Inspection and Enforcement Program
G-MSUR	Transported Gas Municipal Surcharge
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GLT-2	Transportation of Customer-Owned Natural Gas 24578-G,24579-G,24580-G
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G-PRK	Hub Parking
G-WHL	Hub Service

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3258-A 89-11-060 & 90-09-089, DECISION NO. et al. 3H6

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) May 5, 2003 DATE FILED Apr 30, 2003 EFFECTIVE RESOLUTION NO.

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

36534-G 36521-G

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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.

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(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3258-A DECISION NO. 89-11-060~&~90-09-089, et al.

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ATTACHMENT C

ADVICE NO. 3258-A

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3250 CORE SUBSCRIPTION RATE FILING EFFECTIVE APRIL 1, 2003

Core Subscription Procurement Charge:

Retail CS: **49.879¢** per therm (WACOG: 48.900¢ or [43.300¢ + 5.6¢ charge] + Franchise and Uncollectibles: 0.979¢ or [2.0012% * 48.900¢])

Wholesale CS: **49.636**¢ per therm (WACOG: 48.900¢ or [43.300¢ + 5.6¢ charge] + Franchise: 0.736¢ or [1.5051% * 48.900¢])

G-IMB Buy-Back Rates:

Lowest incremental cost of gas purchased during April 2003 is **23.477** cents/therm, which is lower than the following

BR-R = 50% of Retail Core Subscription Procurement Charge: 50% * 49.879 cents/therm = **24.940** cents/therm

BR-W = 50% of Wholesale Core Subscription Procurement Charge: 50% * 49.636 cents/therm = **24.818** cents/therm

Therefore: BR-R and BR-W = 23.477 cents/therm