

J. Steve Rahon Director Tariffs & Regulatory Accounts

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August 29, 2003

Advice No. 3288 (U 904 G)

Public Utilities Commission of the State of California

# Subject: August 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**

This routine monthly filing updates the Buy-Back Rates in Schedule No. G-IMB for August 2003.

## **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 2003, 50% of the core subscription procurement charge is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for August 2003 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 2003 Standby Procurement Charges will be filed by separate advice letter at least one day prior to September 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, 4<sup>th</sup> 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>inj@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: <u>snewsom@SempraUtilities.com</u>

# Effective Date

It is requested that the tariff sheets filed herein be made effective August 31, 2003 to coincide with SoCalGas' Core Subscription Procurement Rate filing in Advice No. 3281, dated July 31, 2003.

# <u>Notice</u>

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. 3288

(See Attached Service List)

#### Advice Letter Distribution List - Advice 3288

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#### Page 3

# ATTACHMENT B Advice No. 3288

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 36878-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 36862-G
Revised 36879-G	Schedule No. G-IMB, TRANSPORTATION	Revised 36863-G
Revised 36880-G	IMBALANCE SERVICE, Sheet 2 Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 36823-G
Revised 36881-G	TABLE OF CONTENTS	Revised 36864-G
Revised 36882-G	TABLE OF CONTENTS	Revised 36865-G

SOUTHERN CALIFORNIA GAS COMPANY Revised

LOS ANGELES, CALIFORNIA CANCELING Revised

36878-G CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO. 36862-G

Sheet 6

PRELIM	INARY STATEMENT	Sheet 6	
	PART II		
<u>SUMMARY (</u>	OF RATES AND CHAR	<u>GES</u>	
	(Continued)		
IMBALANCE SERVICE			
Standby Procurement Charge			
Core Retail Standby (SP-CR)			D
June, 2003			
July, 2003			
August, 2003		TBD*	T
Noncore Retail Standby (SP-NR)		¢0,00401	D
June, 2003			
July, 2003			
August, 2003		IBD*	T
Wholesale Standby (SP-W)			D
June, 2003		\$0 90491	
July, 2003			
August, 2003			T
August, 2003	•••••••••••••••••••••••••••••••••••••••		
Buy-Back Rate			
<u> </u>			
Core and Noncore Retail (BR-R)			D
June, 2003		28.765¢	
July, 2003		25.552¢	
August, 2003		22.441¢	R
Wholesale (BR-W)			D
June, 2003			
July, 2003			_
August, 2003		22.331¢	R
* To be determined (TBD). Pursuant to Charge will be filed by separate advice			T T
	(Continued)		
(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY CAL. PUC)	
DVICE LETTER NO. 3288	Lee Schavrien	DATE FILED Aug 29, 2003	_
			-

LOS ANGELES, CALIFORNIA CANCELING

36879-G 36863-G CAL. P.U.C. SHEET NO.

## Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

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(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  $0.201 \not\in$  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, 2003	\$0.90426
July, 2003	\$0.81689
August, 2003	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
June, 2003	\$0.90491
July, 2003	\$0.81754
August, 2003	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
June, 2003	\$0.90491
July, 2003	\$0.81754
August, 2003	TBD*

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

ISSUED BY Lee Schavrien Vice President **Regulatory Affairs** 

(Continued)

(TO BE INSERTED BY CAL. PUC) Aug 29, 2003 DATE FILED Aug 31, 2003 EFFECTIVE **RESOLUTION NO.** 

LOS ANGELES, CALIFORNIA CANCELING

Revised CAL. P.U.C. SHEET NO. 36880-G Revised CAL. P.U.C. SHEET NO. 36823-G

# Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

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Sheet 3

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RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm	
June, 2003	28.765¢
July, 2003	25.552¢
August, 2003	22.441¢

Wholesale Service:

BR-W Buy-Back Rate, per therm	
June, 2003	28.625¢
July, 2003	25.427¢
August, 2003	22.331¢

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.

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3288DECISION NO. 89-11-060 & 90-09-089,  $_{3HB}$  et al. (Continued)

ISSUED BY Lee Schavrien Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Aug 29, 2003</u> EFFECTIVE <u>Aug 31, 2003</u> RESOLUTION NO.

#### TABLE OF CONTENTS

#### (Continued)

GT-SD GT-PS	Intrastate Transmission Service
0115	36219-G,36220-G,35955-G,35956-G,35957-G
GW-LB	Wholesale Natural Gas Service 36851-G,35885-G,36731-G,32678-G,32679-G
	32680-G,35958-G
GW-SD	Wholesale Natural Gas Service
	32685-G,35959-G
GW-SWG	Wholesale Natural Gas Service 36853-G,35887-G,32689-G
	32690-G,35960-G
GW-VRN	Wholesale Natural Gas Service
	32695-G,32696-G,35961-G
G-IMB	Transportation Imbalance Service
~	36451-G,36313-G,33498-G
G-ITC	Interconnect Access Service
G-BSS	Basic Storage Service
C AUC	32704-G,32705-G,32706-G,32707-G
G-AUC	Auction Storage Service
G-LTS	32712-G,32713-G,36314-G,32715-G Long-Term Storage Service
G-LIS	Long-Term Storage Service
G-TBS	Transaction Based Storage Service
0-105	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
C DIU	Utilities Reimbursement Account
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
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
G-PRK	Hub Parking
G-WHL	Hub Service

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3288 DECISION NO. 89-11-060 & 90-09-089, <sub>3H7</sub> et al. (Continued)

ISSUED BY Lee Schavrien Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Aug 29, 2003</u> EFFECTIVE <u>Aug 31, 2003</u> RESOLUTION NO.

# 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.

Т

Т

Т

Title Page 21888-G	
Table of ContentsGeneral and Preliminary Statement	
Table of ContentsService Area Maps and Descriptions	
Table of ContentsRate Schedules	
Table of ContentsList of Cities and Communities Served	
Table of ContentsList of Contracts and Deviations    33771-G	
Table of ContentsRules	
Table of ContentsKates         36794-G,35934-G,35935-G,36795-G,36796-G           Table of ContentsSample Forms         36794-G,35934-G,35935-G,36795-G,36796-G	
Table of ContentsSample Forms	
PRELIMINARY STATEMENT	
Part I General Service Information 24331-G,24332-G,24333-G,24334-G,24749-G	
Part II Summary of Rates and Charges 36826-G,36827-G,36115-G,36116-G,36828-G,36878-G	
32491-G,32492-G,36109-G,36829-G,36830-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	
Part V Description of Regulatory Accounts-Balancing	
34821-G,34822-G,34823-G,34824-G,34825-G,34826-G,34827-G,34682-G,35770-G,35874-G	
54821-0,54822-0,54825-0,54824-0,54825-0,54820-0,54827-0,548827-0,54882-0,55770-0,55874-0	
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	
54064-0,54269-0,54290-0,54291-0,54629-0,54650-0,54651-0,55556-0,55559-0	
Part VII Description of Regulatory Accounts-Tracking	
34375-G,34376-G,34377-G,34378-G,34379-G,36023-G	
54575-0,54576-0,54577-0,54578-0,54579-0,50025-0	
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	
Dort V. Global Sattlement 22520 C 22521 C 22522 C 22522 C	
Part X Global Settlement	

ISSUED BY Lee Schavrien Vice President Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) DATE FILED Aug 29, 2003 EFFECTIVE Aug 31, 2003 RESOLUTION NO.

# ATTACHMENT C

# ADVICE NO. 3288

# RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3281 CORE SUBSCRIPTION RATE FILING EFFECTIVE AUGUST 1, 2003

## **Core Subscription Procurement Charge:**

 Retail CS:
 44.881¢ per therm

 (WACOG: 44.000¢ + Franchise and Uncollectibles:
 .881¢ or [2.0012% \* 44.000¢])

Wholesale CS: 44.662¢ per therm (WACOG: 44.000¢ + Franchise: 0.662¢ or [1.5051% \*44.000¢]) +

## G-IMB Buy-Back Rates:

**BR-R** = 50% of Retail Core Subscription Procurement Charge: 50% \* 44.881 cents/therm = **22.441** cents/therm

**BR-W** = 50% of Wholesale Core Subscription Procurement Charge: 50% \* 44.662 cents/therm = **22.331** cents/therm