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November 26, 2003

Advice No. 3314 (U 904 G)

Public Utilities Commission of the State of California

Subject: November 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 November 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 November 2003, 50% of the core subscription procurement charge is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for November 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 November 2003 Standby Procurement Charges will be filed by separate advice letter at least one day prior to December 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 November 30, 2003 to coincide with SoCalGas' Core Subscription Procurement Rate filing in Advice No. 3306, dated October 31, 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
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Attachments

ATTACHMENT A

Advice No. 3314

(See Attached Service List)

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ATTACHMENT B Advice No. 3314

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 37110-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 37102-G
Revised 37111-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 37103-G
Revised 37112-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 37030-G
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Revised 37114-G	TABLE OF CONTENTS	Revised 37109-G

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

37110-G 37102-G

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

Sheet 6

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PROCUREMENT CHARGE (Continued)

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Schedule GW-LB,	GW-SD.	GW-SWG a	nd GW-VRN

LOS ANGELES, CALIFORNIA CANCELING

CORE SUBSCRIPTION RESERVATION CHARGE

Schedule G-CS, GW-LB, GW-SD, GW-SWG and GW-VRN

Rate, per therm 3.382¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)	
September, 2003	
October, 2003	
November, 2003	TBD*
Noncore Retail Standby (SP-NR)	

Wholesale Standby (SP-W)

Buy-Back Rate

Core and Noncore Rei	tail (BK-K)
September, 2003	
0 1 0000	

..... 24.481¢

Wholesale (BR-W)

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

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3314 DECISION NO. 89-11-060 & 90-09-089. 6H10 et al.

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Nov 26, 2003 DATE FILED Nov 30, 2003 EFFECTIVE RESOLUTION NO.

Revised LOS ANGELES, CALIFORNIA CANCELING

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

CAL. P.U.C. SHEET NO.

37111-G 37103-G

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 0.201ϕ 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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COLC	Netan	SC.	I VICC.

SP-CR Standby Rate, per therm	
September, 2003	\$0.73664
October, 2003	\$0.73664
November, 2003	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
September, 2003	\$0.73729
October, 2003	\$0.73729
November, 2003	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
September, 2003	\$0.73729
October, 2003	\$0.73729
November, 2003	TBD*

To be determined (TBD). Pursuant to Resolution G-3316, the November 2003 Standby Procurement Charge will be filed by separate advice letter at least one day prior to December 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. 3314 DECISION NO. 89-11-060 & 90-09-089. et al. 2H9

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Nov 26, 2003 DATE FILED Nov 30, 2003 **EFFECTIVE** RESOLUTION NO.

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

37112-G 37030-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	
September, 2003	24.481¢
October, 2003	21.319¢
November 2003	21 370¢

Wholesale Service:

BR-W Buy-Back Rate, per therm	
September, 2003	24.361¢
October, 2003	21.215¢
November, 2003	21.266¢

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. 3314 DECISION NO. 89-11-060 & 90-09-089, et al.

ISSUED BY
Lee Schavrien
Vice President

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 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & Nov \ 26, \ 2003 \\ \text{EFFECTIVE} & Nov \ 30, \ 2003 \\ \text{RESOLUTION NO.} \end{array}$

LOS ANGELES, CALIFORNIA CANCELING

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G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account
G-MHPS	Surcharge to Fund Public Utilities Commission
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G-WHL	Hub Service

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3314 DECISION NO. 89-11-060~&~90-09-089, $_{3H8}$ et al.

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Nov 26, 2003
EFFECTIVE Nov 30, 2003
RESOLUTION NO.

T

GENERAL

37114-G

37109-G

Cal. P.U.C. Sheet No.

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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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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3314 DECISION NO. 89-11-060 & 90-09-089, et al.

ISSUED BY
Lee Schavrien
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Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & Nov \ 26, 2003 \\ \text{EFFECTIVE} & Nov \ 30, 2003 \\ \text{RESOLUTION NO.} \end{array}$

ATTACHMENT C

ADVICE NO. 3314

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3306 CORE SUBSCRIPTION RATE FILING EFFECTIVE NOVEMBER 1, 2003

Core Subscription Procurement Charge:

Retail CS: **42.739¢** per therm (WACOG: 41.900¢ + Franchise and Uncollectibles: 0.839¢ or [2.0012% * 41.900¢])

Wholesale CS: **42.531**¢ per therm (WACOG: 41.900¢ + Franchise: 0.631¢ or [1.5051% * 41.900¢])

G-IMB Buy-Back Rates:

BR-R = 50% of Retail Core Subscription Procurement Charge: 50% * 42.739 cents/therm = **21.370** cents/therm

BR-W = 50% of Wholesale Core Subscription Procurement Charge: 50% * 42.531 cents/therm = **21.266** cents/therm