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January 22, 2004

Advice No. 3342
(U 904 G)

Public Utilities Commission of the State of California

Subject: December 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 December 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 December 2003 (covering the period December 1, 2003 to January 20, 2004), the highest daily border price index at the Southern California border is \$0.65825 per therm. The resultant Standby Procurement Charges, calculated in the

manner set forth above, are \$0.99004 per therm for noncore retail service and all wholesale service, and \$0.98939 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 (ijnj@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 January 22, 2004, 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 January 25, 2004.

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. 3342

(See Attached Service List)

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ATTACHMENT B
Advice No. 3342

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 37404-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 37232-G*
Revised 37405-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 37308-G
Revised 37406-G	TABLE OF CONTENTS	Revised 37402-G
Revised 37407-G	TABLE OF CONTENTS	Revised 37403-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

PROCUREMENT CHARGE (Continued)

Schedule G-CS

Core Subscription Procurement Charge, per therm N/A*

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

Core Subscription Procurement Charge, per therm N/A*

CORE SUBSCRIPTION RESERVATION CHARGE

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

Rate, per therm N/A*

* Pursuant to D.01-12-018, service is no longer offered under the Core Subscription Program. Core subscription rates are no longer applicable and will not be updated effective December 1, 2003.

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

October, 2003 73.664¢
 November, 2003 94.926¢
 December, 2003 98.939¢**

Noncore Retail Standby (SP-NR)

October, 2003 73.729¢
 November, 2003 94.991¢
 December, 2003 99.004¢**

Wholesale Standby (SP-W)

October, 2003 73.729¢
 November, 2003 94.991¢
 December, 2003 99.004¢**

Buy-Back Rate

Core and Noncore Retail (BR-R)

October, 2003 21.319¢
 November, 2003 21.370¢
 December, 2003 22.905¢

Wholesale (BR-W)

October, 2003 21.215¢
 November, 2003 21.266¢
 December, 2003 22.793¢

** Pursuant to Resolution G-3316, the December 2003 Standby Procurement Charge will be filed by separate advice letter at least one day prior to January 25, 2004.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3342
 DECISION NO.

6H9

ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jan 22, 2004
 EFFECTIVE Jan 22, 2004
 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

October, 2003	73.664¢
November, 2003	94.926¢
December, 2003	98.939¢*

Noncore Retail Service:

SP-NR Standby Rate, per therm

October, 2003	73.729¢
November, 2003	94.991¢
December, 2003	99.004¢*

Wholesale Service:

SP-W Standby Rate per therm

October, 2003	73.729¢
November, 2003	94.991¢
December, 2003	99.004¢*

* Pursuant to Resolution G-3316, the December 2003 Standby Procurement Charge will be filed by separate advice letter at least one day prior to January 25, 2004.

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 Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP, during the month such excess imbalance was incurred.

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 Regulatory Affairs

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Lee Schavrien
 Vice President
 Regulatory Affairs

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DATE FILED Jan 22, 2004
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ATTACHMENT C

ADVICE NO. 3342

**RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING
EFFECTIVE DECEMBER 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 January 7, 2004.

1/07/04 NGI's Daily Gas Price Index (NDGPI) = \$0.6550 per therm

1/07/04 Gas Daily's Daily Price Survey (GDDPS) = \$0.6615 per therm

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

HDBPI = \$0.65825 per therm

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

SP-CR = 150% x \$ 0.65825 + \$ 0.00201 = \$ 0.98939

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

SP-NR = 150% x \$ 0.65825 + \$ 0.00266 = \$ 0.99004

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

SP-W = 150% x \$ 0.65825 + \$ 0.00266 = \$ 0.99004