



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

8315 Century Park Ct.
San Diego, CA 92123-1550
Tel: 858.654.1773
Fax 858.654.1788
srahon@SempraUtilities.com

February 3, 2004

Advice No. 3347
(U 904 G)

Public Utilities Commission of the State of California

Subject: Daily Balancing Standby Rates for January 23-31, 2004

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 filing updates the Daily Balancing Standby Rates for the period of January 23, 2004 through January 31, 2004 in Schedule No. G-IMB, Transportation Imbalance Service, as authorized by the Commission's approval of SoCalGas' Advice Nos. 2651, 2651-A and 2651-B on December 26, 1997, which were filed in compliance with Decision (D.) 97-11-070, dated November 19, 1997, which modified Capacity Brokering Decision D.90-09-089 by adopting modifications to SoCalGas' balancing rules.

Background

As authorized in Schedule No. G-IMB, customers will be subject to balancing rules during the winter operating period. From November through March, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of burn over a five day period. As the Utility's total inventory in storage declines to the peak day minimum + 20 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 70% of burn daily. As the Utility's total inventory in storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 90% of burn daily. Volumes not in compliance with the minimum delivery requirements will be purchased at the daily balancing standby rates described below. Imbalance trading and as-available withdrawal may not be used to offset the minimum delivery requirements. A complete description of the winter minimum delivery requirements is specified in Rule No. 30, Transportation of Customer-Owned Gas.

The Daily Balancing Standby Rates are calculated as follows:

1. 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 balancing 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.
2. 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.
3. 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.

As further authorized in Schedule No. G-IMB, by the Commission's approval of SoCalGas' Advice No. 3018 on June 6, 2001, the Daily Balancing Standby Rates may be filed weekly to become effective immediately. In any event, the Daily Balancing Standby Rates shall be filed on or before the fifth business day of each month.

Requested Rate Revision

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets. The note at the end of the Daily Balancing Standby Rates section is revised to state that for the days of January 1-31, 2004 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies. The workpaper showing 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 must be 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 to Honesto Gatchalian (jnj@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

As authorized in Schedule No. G-IMB, the tariff sheets filed herein are to be effective for service on and after February 3, 2004, which is the date filed, and are to be applicable to the period of January 23, 2004 through January 31, 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. 3347

(See Attached Service List)

ACN Energy
Gary Morrow
GMorrow@acninc.com

ACN Energy
Tony Cusati
tony.cusati@acnenergy.com

ACN Inc.
Glenn Kinser
gkinser@acninc.com

Aglet Consumer Alliance
James Weil
jweil@aglet.org

Alcantar & Kahl
Elizabeth Westby
egw@a-klaw.com

Alcantar & Kahl
Kari Harteloo
klc@a-klaw.com

AFRPA/DD McClellan Attn: L. Baustian
3411 Olson Street, Room 105
McClellan, CA 95652-1003

BP Amoco, Reg. Affairs
Marianne Jones
501 West Lake Park Blvd.
Houston, TX 77079

BP EnergyCo.
J. M. Zaiantz
Zaiantj@bp.com

Barkovich & Yap
Catherine E. Yap
ceyap@earthlink.net

Berliner, Camdon & Jimison
John Jimison
johnj@bcjlaw.com

Beta Consulting
John Burkholder
burkee@cts.com

CPUC
Consumer Affairs Branch
505 Van Ness Ave., #2003
San Francisco, CA 94102

CPUC
R. Mark Pocta
rmp@cpuc.ca.gov

CPUC
Energy Rate Design & Econ.
505 Van Ness Ave., Rm. 4002
San Francisco, CA 94102

California Energy Market
Lulu Weinzimer
luluw@newsdata.com

Calpine Corp
Avis Clark
aclark@calpine.com

City of Anaheim
Ben Nakayama
Public Utilities Dept.
P. O. Box 3222
Anaheim, CA 92803

City of Azusa
Light & Power Dept.
215 E. Foothill Blvd.
Azusa, CA 91702

City of Banning
Paul Toor
P. O. Box 998
Banning, CA 92220

City of Burbank
Fred Fletcher/Ronald Davis
164 West Magnolia Blvd., Box 631
Burbank, CA 91503-0631

City of Colton
Thomas K. Clarke
650 N. La Cadena Drive
Colton, CA 92324

City of Glendale
Larry Silva
lsilva@ci.glendale.ca.us

City of Lompoc
H. Paul Jones
100 Civic Center Plaza
Lompoc, CA 93438

City of Long Beach, Gas Dept.
Chris Garner
2400 East Spring Street
Long Beach, CA 90806-2385

City of Los Angeles
City Attorney
1700 City Hall East
Los Angeles, CA 90012

City of Pasadena
Manuel A. Robledo
150 S. Los Robles Ave., #200
Pasadena, CA 91101

City of Riverside
Stephen Aronson
saronson@ci.riverside.ca.us

City of Vernon
Kenneth J. DeDario
kdedario@ci.vernon.ca.us

Coral Energy
Walter Cinibulk
wcinibulk@coral-energy.com

County of Los Angeles
Stephen Crouch
1100 N. Eastern Ave., Room 300
Los Angeles, CA 90063

Crossborder Energy
Tom Beach
tomb@crossborderenergy.com

Pat Darish
pdarish@acninc.com

Davis Wright Tremaine, LLP
Christopher Hilten
chrishilten@dwt.com

Davis Wright Tremaine, LLP
Edward W. O'Neill
One Embarcadero Center, #600
San Francisco, CA 94111-3834

Davis, Wright, Tremaine
Judy Pau
judypau@dwt.com

Dept. of General Services
Celia Torres
celia.torres@dgs.ca.gov

Dept. of General Services
Deniese Earley
deniese.earley@dgs.ca.gov

Dan Douglass
douglass@energyattorney.com

Downey, Brand, Seymour & Rohwer
Ann Trowbridge
atrowbridge@dbsr.com

Downey, Brand, Seymour & Rohwer
Phil Stohr
pstohr@dbsr.com

Downey, Brand, Seymour & Rohwer
Dan Carroll
dcarroll@dbsr.com

Dynegy
Joseph M. Paul
jmpa@dynegy.com

Edson & Modisette
1015 K Street,, #200
Sacramento, CA 95814

Enserch Gas Marketing, Inc.
Cathy Hawes
353 Sacramento, St., Suite 400
San Francisco, CA 94111

Gas Purchasing
BC Gas Utility Ltd.
16705 Fraser Highway
Surrey, British Columbia, V3S 2X7

General Services Administration
Facilities Management (9PM-FT)
450 Golden Gate Ave.
San Francisco, CA 94102-3611

Goodin, MacBride, Squeri, Ritchie &
Day, LLP
J. H. Patrick
hpatrick@gmssr.com

Goodin, MacBride, Squeri, Ritchie &
Day, LLP
James D. Squeri
jsqueri@gmssr.com

Jacqueline Greig
jnm@cpuc.ca.gov

Hanna & Morton
Norman A. Pedersen, Esq.
npedersen@hanmor.com

David Huard
dhuard@manatt.com

Imperial Irrigation District
K. S. Noller
P. O. Box 937
Imperial, CA 92251

JBS Energy
Jeff Nahigian
jeff@jbsenergy.com

Jeffer, Mangels, Butler & Marmaro
2 Embarcaero Center, 5th Floor
San Francisco, CA 94111

Kern River Gas Transmission Company
Janie Nielsen
Janie.Nielsen@KernRiverGas.com

LADWP
Nevenka Ubavich
nubavi@ladwp.com

LADWP
Randy Howard
P. O. Box 51111, Rm. 956
Los Angeles, CA 90051-0100

Law Office of Andrew J. Skaff
Andrew Skaff
andy@skafflaw.com

Law Offices of Diane I. Fellman
Diane Fellman
difellman@fellmanlaw.com

Law Offices of William H. Booth
William Booth
wbooth@booth-law.com

Luce, Forward, Hamilton & Scripps
John Leslie
jleslie@luce.com

MRW & Associates
Robert Weisenmiller
mrw@mrwassoc.com

Matthew Brady & Associates
Matthew Brady
matt@bradylawus.com

National Utility Service, Inc.
Jim Boyle
One Maynard Drive, P. O. Box 712
Park Ridge, NJ 07656-0712

PG&E
Anita Smith
aws4@pge.com

PG&E
Sue Shaw
sxs9@pge.com

PG&E
Todd Novak
tsn2@pge.com

PG&E
Sharon Tatai
skt2@pge.com

PG&E National Energy Group
Eric Eisenman
eric.eisenman@neg.pge.com

Pacific Gas & Electric Co.
John Clarke
jpc2@pge.com

Praxair Inc
Rick Noger
rick_noger@praxair.com

Questar Southern Trails
Lenard Wright
Lenard.Wright@Questar.com

Regulatory & Cogen Services, Inc.
Donald W. Schoenbeck
900 Washington Street, #780
Vancouver, WA 98660

Richard Hairston & Co.
Richard Hairston
hairstonco@aol.com

William Scott
wms@cpuc.ca.gov

Southern California Edison Co
Fileroom Supervisor
2244 Walnut Grove Ave., Room 290,
GO1
Rosemead, CA 91770

Southern California Edison Co
Karyn Gansecki
601 Van Ness Ave., #2040
San Francisco, CA 94102

Southern California Edison Co.
Colin E. Cushnie
cushnice@sce.com

Southern California Edison Co.
John Quinlan
john.quinlan@sce.com

Southern California Edison Co.
Kevin Cini
cinikr@sce.com

Southwest Gas Corp.
Edward Zub
P. O. Box 98510
Las Vegas, NV 89193-8510

Suburban Water System
Bob Kelly
1211 E. Center Court Drive
Covina, CA 91724

Sutherland, Asbill & Brennan
Keith McCrea
kmccrea@sablaw.com

TURN
Marcel Hawiger
marcel@turn.org

TURN
Mike Florio
mflorio@turn.org

Transwestern Pipeline Co.
Kelly Allen
kelly.allen@enron.com

Vandenberg AFB
Ken Padilla
ken.padilla@vandenberg.af.mil

ATTACHMENT B
Advice No. 3347

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 37453-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5	Revised 37409-G
Revised 37454-G	TABLE OF CONTENTS	Revised 37420-G
Revised 37455-G	TABLE OF CONTENTS	Revised 37452-G

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

January 2004 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
21	\$0.87259	\$0.87324	\$0.86901
22	\$0.88483	\$0.88548	\$0.88119
23	\$0.87412	\$0.87477	\$0.87053
24	\$0.84658	\$0.84723	\$0.84312
25	\$0.84658	\$0.84723	\$0.84312
Period 5 High	\$0.88483	\$0.88548	\$0.88119
26	\$0.84658	\$0.84723	\$0.84312
27	\$0.84199	\$0.84264	\$0.83855
28	\$0.87106	\$0.87171	\$0.86748
29	\$0.88024	\$0.88089	\$0.87662
30	\$0.84658	\$0.84723	\$0.84312
31	\$0.84658	\$0.84723	\$0.84312
Period 6 High	\$0.88024	\$0.88089	\$0.87662

Note: For the days of January 1-31, 2004 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies.

Revision of Rates

The Standby Procurement Charge and the Buy-Back Rate shall be established effective the last day of each month. The Daily Balancing Standby Rate shall be established on NGI's *Daily Gas Price Index*. Utility may file the Daily Balancing Standby Rate weekly to become effective immediately. In any event, the Daily Balancing Standby Rate shall be filed on or before the fifth business day of each month.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3347
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3347
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
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 Regulatory Affairs

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**ATTACHMENT C
ADVICE NO. 3347
RATE CALCULATION WORKPAPER
DAILY BALANCING STANDBY RATE FILING
EFFECTIVE JANUARY 1-31, 2004**

Daily Balancing Standby Rate = 150% x (NGI's Price Index + F&U Charge) + Brokerage Fee

F&U Charge is 2.0012% of NGI's Price Index for Retail and 1.5051% for Wholesale

Brokerage Fee is 0.201 cents for Core Retail; 0.266 cents for Noncore Retail/Wholesale

(All rates are per therm)

<u>January Day</u>	<u>NGI's Price Index</u>	<u>Daily Balancing Standby Rates</u>		
		<u>Core Retail</u>	<u>Noncore Retail</u>	<u>Wholesale</u>
1	\$0.55500	\$0.85117	\$0.85182	\$0.84769
2	\$0.55500	\$0.85117	\$0.85182	\$0.84769
3	\$0.55500	\$0.85117	\$0.85182	\$0.84769
4	\$0.55500	\$0.85117	\$0.85182	\$0.84769
5	\$0.55500	\$0.85117	\$0.85182	\$0.84769
6	\$0.62300	\$0.95521	\$0.95586	\$0.95123
7	\$0.68000	\$1.04242	\$1.04307	\$1.03801
8	\$0.60000	\$0.92002	\$0.92067	\$0.91621
9	\$0.58500	\$0.89707	\$0.89772	\$0.89337
10	\$0.63500	\$0.97357	\$0.97422	\$0.96950
11	\$0.63500	\$0.97357	\$0.97422	\$0.96950
12	\$0.63500	\$0.97357	\$0.97422	\$0.96950
13	\$0.56500	\$0.86647	\$0.86712	\$0.86292
14	\$0.56600	\$0.86800	\$0.86865	\$0.86444
15	\$0.55800	\$0.85576	\$0.85641	\$0.85226
16	\$0.57200	\$0.87718	\$0.87783	\$0.87357
17	\$0.52700	\$0.80833	\$0.80898	\$0.80506
18	\$0.52700	\$0.80833	\$0.80898	\$0.80506
19	\$0.52700	\$0.80833	\$0.80898	\$0.80506
20	\$0.52700	\$0.80833	\$0.80898	\$0.80506
21	\$0.56900	\$0.87259	\$0.87324	\$0.86901
22	\$0.57700	\$0.88483	\$0.88548	\$0.88119
23	\$0.57000	\$0.87412	\$0.87477	\$0.87053
24	\$0.55200	\$0.84658	\$0.84723	\$0.84312
25	\$0.55200	\$0.84658	\$0.84723	\$0.84312
26	\$0.55200	\$0.84658	\$0.84723	\$0.84312
27	\$0.54900	\$0.84199	\$0.84264	\$0.83855
28	\$0.56800	\$0.87106	\$0.87171	\$0.86748
29	\$0.57400	\$0.88024	\$0.88089	\$0.87662
30	\$0.55200	\$0.84658	\$0.84723	\$0.84312
31	\$0.55200	\$0.84658	\$0.84723	\$0.84312