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March 2, 2004

Advice No. 3359
(U 904 G)

Public Utilities Commission of the State of California

Subject: Daily Balancing Standby Rates for February 24-29, 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 February 24, 2004 through February 29, 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 February 1-29, 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 (ijnj@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 March 2, 2004, which is the date filed, and are to be applicable to the period of February 24, 2004 through February 29, 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. 3359

(See Attached Service List)

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ATTACHMENT B
Advice No. 3359

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 37597-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5	Revised 37558-G
Revised 37598-G	TABLE OF CONTENTS	Revised 37564-G
Revised 37599-G	TABLE OF CONTENTS	Revised 37596-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)

February 2004 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
21	\$0.77314	\$0.77379	\$0.77004
22	\$0.77314	\$0.77379	\$0.77004
23	\$0.77314	\$0.77379	\$0.77004
24	\$0.75172	\$0.75237	\$0.74872
25	\$0.73183	\$0.73248	\$0.72893
Period 5 High	\$0.77314	\$0.77379	\$0.77004
26	\$0.72418	\$0.72483	\$0.72132
27	\$0.73795	\$0.73860	\$0.73502
28	\$0.73795	\$0.73860	\$0.73502
29	\$0.73795	\$0.73860	\$0.73502
Period 6 High	\$0.73795	\$0.73860	\$0.73502

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Note: For the days of February 1-29, 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. 3359
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 2, 2004
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3359
 DECISION NO. 97-11-070

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Lee Schavrien
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 Regulatory Affairs

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**ATTACHMENT C
ADVICE NO. 3359
RATE CALCULATION WORKPAPER
DAILY BALANCING STANDBY RATE FILING
EFFECTIVE FEBRUARY 1-29, 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>February 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	\$0.54400	\$0.83434	\$0.83499	\$0.83094
2	\$0.54400	\$0.83434	\$0.83499	\$0.83094
3	\$0.52000	\$0.79762	\$0.79827	\$0.79440
4	\$0.52500	\$0.80527	\$0.80592	\$0.80201
5	\$0.53500	\$0.82057	\$0.82122	\$0.81724
6	\$0.52200	\$0.80068	\$0.80133	\$0.79744
7	\$0.51100	\$0.78385	\$0.78450	\$0.78070
8	\$0.51100	\$0.78385	\$0.78450	\$0.78070
9	\$0.51100	\$0.78385	\$0.78450	\$0.78070
10	\$0.51500	\$0.78997	\$0.79062	\$0.78679
11	\$0.53000	\$0.81292	\$0.81357	\$0.80963
12	\$0.51400	\$0.78844	\$0.78909	\$0.78526
13	\$0.50500	\$0.77467	\$0.77532	\$0.77156
14	\$0.52600	\$0.80680	\$0.80745	\$0.80354
15	\$0.52600	\$0.80680	\$0.80745	\$0.80354
16	\$0.52600	\$0.80680	\$0.80745	\$0.80354
17	\$0.52600	\$0.80680	\$0.80745	\$0.80354
18	\$0.50900	\$0.78079	\$0.78144	\$0.77765
19	\$0.49900	\$0.76549	\$0.76614	\$0.76243
20	\$0.50300	\$0.77161	\$0.77226	\$0.76852
21	\$0.50400	\$0.77314	\$0.77379	\$0.77004
22	\$0.50400	\$0.77314	\$0.77379	\$0.77004
23	\$0.50400	\$0.77314	\$0.77379	\$0.77004
24	\$0.49000	\$0.75172	\$0.75237	\$0.74872
25	\$0.47700	\$0.73183	\$0.73248	\$0.72893
26	\$0.47200	\$0.72418	\$0.72483	\$0.72132
27	\$0.48100	\$0.73795	\$0.73860	\$0.73502
28	\$0.48100	\$0.73795	\$0.73860	\$0.73502
29	\$0.48100	\$0.73795	\$0.73860	\$0.73502