



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

8330 Century Park Ct.
San Diego, CA 92123-1548
Tel: 858.654.1773
Fax 858.654.1788
srahon@SempraUtilities.com

August 5, 2004

Advice No. 3397
(U 904 G)

Public Utilities Commission of the State of California

Subject: Cross-Over Rate for August 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 monthly filing revises the listed tariff rate schedules showing the Cross-Over Rate for applicable residential and core commercial and industrial customers for August 2004, as authorized by the California Public Utilities Commission's (Commission) approval of SoCalGas' Advice No. (AL) 3188-A on September 4, 2003, by Resolution G-3351. AL 3188-A was filed pursuant to Commission Decision (D.) 02-08-065 issued on August 22, 2002, authorizing SoCalGas to implement revised uniform rules for noncore customers requesting core service, and core customers with an annual consumption over 50,000 therms who elect to switch from a Core Aggregation Transportation (CAT) marketer to utility procurement service.

Background

The Cross-Over Rate, as set forth in Schedule No. G-CP, will be the higher of 1) the posted monthly core procurement rate or 2) an Adjusted California Border Price. The Border Price adjustment will reflect the fact that interstate transportation costs are included in the core transportation rate, as opposed to the core procurement rate, and therefore must be removed from the Border Price in order to make for a proper comparison (and to avoid charging cross-over customers twice for interstate transportation). Similarly, the core procurement rate does not include intrastate backbone costs which are also a component of the core transportation rate.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

This Cross-Over Rate will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except the following customers: a) noncore customers who have been served under Schedule No. G-CS since January 1, 2001, or b) noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The Cross-Over Rate will be filed on or before the 9th calendar day of each month, to be effective the 10th calendar day of each month.

Requested Rate Revision

The Cross-Over Rate for August 2004 is [55.832](#) cents per therm, which is the same as the Core Procurement rate as filed by AL 3396 on July 30, 2004. The workpaper showing the calculation of the Cross-Over Rate is incorporated herein as Attachment C.

Protest

Anyone may protest this Advice Letter to the 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 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

In compliance with Advice No. 3188-A, approved on September 4, 2003 by Resolution G-3351, the tariff sheets filed herein are to be effective for service on and after August 10, 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. 3397

(See Attached Service List)

ACN
Brian Spector
BSpector@acninc.com

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

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

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 Hilen
chrishilen@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@downeybrand.com

Duke Energy North America
Melanie Gillette
mlgillette@duke-energy.com

Dynegy
Joseph M. Paul
jmpa@dynegy.com

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 Embarcadero 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.
John Hester
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. 3397

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|--|-------------------------------------|
| Revised 38135-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 1 | Revised 38104-G |
| Revised 38136-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 2 | Revised 38105-G |
| Revised 38137-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 3 | Revised 38106-G |
| Revised 38138-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 5 | Revised 38107-G |
| Revised 38139-G | Schedule No. GR, RESIDENTIAL SERVICE, Sheet 3 | Revised 38071-G |
| Revised 38140-G | Schedule No. GS, MULTI-FAMILY SERVICE SUBMETERED, Sheet 3 | Revised 38072-G |
| Revised 38141-G | Schedule No. GM, MULTI-FAMILY SERVICE, Sheet 3 | Revised 38073-G |
| Revised 38142-G | Schedule No. GMB, LARGE MULTI-FAMILY SERVICE, Sheet 3 | Revised 38074-G |
| Revised 38143-G | Schedule No. GSL, SUBMETERED MULTI- FAMILY SERVICE, INCOME-QUALIFIED, Sheet 3 | Revised 38075-G |
| Revised 38144-G | Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 3 | Revised 38121-G |
| Revised 38145-G | Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 4 | Revised 38122-G |
| Revised 38146-G | Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 5 | Revised 38123-G |
| Revised 38147-G | Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 6 | Revised 38079-G |
| Revised 38148-G | Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 2 | Revised 38125-G |
| Revised 38149-G | Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 2 | Revised 38127-G |

ATTACHMENT B
Advice No. 3397

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|--|-------------------------------------|
| Revised 38150-G | Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, Sheet 2 | Revised 38128-G |
| Revised 38151-G | Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 2 | Revised 38129-G |
| Revised 38152-G | Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 3 | Revised 38130-G |
| Revised 38153-G | TABLE OF CONTENTS | Revised 38132-G |
| Revised 38154-G | TABLE OF CONTENTS | Revised 38133-G |
| Revised 38155-G | TABLE OF CONTENTS | Revised 38134-G |

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 1

RESIDENTIAL CORE SALES SERVICE (1) (2) Commodity Charge
(per therm)

Schedules GR, GS & GM

| | | |
|--|----------|---|
| Baseline Usage | 83.905¢ | |
| Non-Baseline Usage | 102.139¢ | |
| Cross-Over Rate Baseline Usage..... | 83.905¢ | R |
| Cross-Over Rate Non-Baseline Usage | 102.139¢ | R |
| Customer Charge: 16.438¢/meter/day | | |

Schedule GMB

| | | |
|--|---------|---|
| Baseline Usage | 77.069¢ | |
| Non-Baseline Usage | 85.060¢ | |
| Cross-Over Rate Baseline Usage..... | 77.069¢ | R |
| Cross-Over Rate Non-Baseline Usage | 85.060¢ | R |
| Customer Charge: \$9.523/meter/day | | |

Schedules GRL & GSL

| | | |
|---|---------|---|
| Baseline Usage | 67.124¢ | |
| Non-Baseline Usage | 81.712¢ | |
| Cross-Over Rate Baseline Usage (GSL only) | 67.124¢ | R |
| Cross-Over Rate Non-Baseline Usage (GSL only) | 81.712¢ | R |
| Customer Charge: 13.151¢/meter/day | | |

RESIDENTIAL CORE AGGREGATION SERVICE Transmission Charge
(per therm)

Schedules GT-R, GT-S & GT-M

| | | |
|------------------------------------|---------|--|
| Baseline Usage | 27.789¢ | |
| Non-Baseline Usage | 46.023¢ | |
| Customer Charge: 16.438¢/meter/day | | |

Schedule GT-MB

| | | |
|------------------------------------|---------|--|
| Baseline Usage | 20.953¢ | |
| Non-Baseline Usage | 28.944¢ | |
| Customer Charge: \$9.523/meter/day | | |

Schedules GT-RL & GT-SL

| | | |
|------------------------------------|---------|--|
| Baseline Usage | 22.231¢ | |
| Non-Baseline Usage | 36.818¢ | |
| Customer Charge: 13.151¢/meter/day | | |

- (1) The residential core procurement charge as set forth in Schedule No. G-CP is 55.832¢/therm which includes the core brokerage fee.
- (2) The residential cross-over rate as set forth in Schedule No. G-CP is 55.832¢/therm which includes the core brokerage fee.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3397
 DECISION NO.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 5, 2004
 EFFECTIVE Aug 10, 2004
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 2

(Continued)

NON-RESIDENTIAL CORE SALES SERVICE (1)(2) Commodity Charge
 (per therm)

Schedule GN-10 (3)

| | | |
|----------|----------------|---------|
| GN-10: | Tier I | 99.660¢ |
| | Tier II | 80.380¢ |
| | Tier III | 67.367¢ |
| GN-10C: | Tier I | 99.660¢ |
| | Tier II | 80.380¢ |
| | Tier III | 67.367¢ |
| GN-10V: | Tier I | 99.660¢ |
| | Tier II | 76.887¢ |
| | Tier III | 67.367¢ |
| GN-10VC: | Tier I | 99.660¢ |
| | Tier II | 76.887¢ |
| | Tier III | 67.367¢ |

Customer Charge:

| | |
|--|-------------------|
| Annual usage of less than 1,000 therms per year: | 32.877¢/meter/day |
| Annual usage of 1,000 therms per year or more: | 49.315¢/meter/day |

Schedule GN-10L

| | | |
|---------|----------------|---------|
| GN-10L: | Tier I | 79.728¢ |
| | Tier II | 64.304¢ |
| | Tier III | 53.894¢ |

Customer Charge:

| | |
|--|-------------------|
| Annual usage of less than 1,000 therms per year: | 26.301¢/meter/day |
| Annual usage of 1,000 therms per year or more: | 39.452¢/meter/day |

Schedule G-AC

| | | |
|------------------|----------------------|---------|
| G-AC: | rate per therm | 67.509¢ |
| G-ACC: | rate per therm | 67.509¢ |
| G-ACL: | rate per therm | 54.007¢ |
| Customer Charge: | \$150/month | |

Schedule G-EN

| | | |
|------------------|----------------------|---------|
| G-EN: | rate per therm | 73.463¢ |
| G-ENC: | rate per therm | 73.463¢ |
| Customer Charge: | \$50/month | |

- (1) The non-residential core procurement charge as set forth in Schedule No. G-CP is 55.832¢/therm which includes the core brokerage fee.
- (2) The non-residential cross over rate as set forth in Schedule No. G-CP is 55.832¢/therm which includes the core brokerage fee.
- (3) Schedule GL rates are set commensurate with Rate Schedule GN-10.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3397
 DECISION NO.

2H7

ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 5, 2004
 EFFECTIVE Aug 10, 2004
 RESOLUTION NO. G-3351

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R
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PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 3

(Continued)

NON-RESIDENTIAL CORE SALES SERVICE (Continued) Commodity Charge
 (per therm)

Schedule G-NGV

| | |
|---|----------|
| G-NGU: rate per therm | 67.486¢ |
| G-NGUC: rate per therm | 67.486¢ |
| G-NGU plus G-NGC Compression Surcharge | 102.486¢ |
| G-NGUC plus G-NGC Compression Surcharge | 102.486¢ |
| P-1 Customer Charge: \$13/month | |
| P-2A Customer Charge: \$65/month | |

R
R

NON-RESIDENTIAL CORE AGGREGATION SERVICE Transmission Charge
 (per therm)

Schedule GT-10

| | |
|----------------------|---------|
| GT-10: Tier I | 43.544¢ |
| Tier II | 24.264¢ |
| Tier III | 11.251¢ |
| GT-10V: Tier I | 43.544¢ |
| Tier II | 20.771¢ |
| Tier III | 11.251¢ |

Customer Charge:

| | |
|--|-------------------|
| Annual usage of less than 1,000 therms per year: | 32.877¢/meter/day |
| Annual usage of 1,000 therms per year or more: | 49.315¢/meter/day |

Schedule GT-10L

| | |
|----------------------|---------|
| GT-10L: Tier I | 34.835¢ |
| Tier II | 19.411¢ |
| Tier III | 9.001¢ |

Customer Charge:

| | |
|--|-------------------|
| Annual usage of less than 1,000 therms per year: | 26.301¢/meter/day |
| Annual usage of 1,000 therms per year or more: | 39.452¢/meter/day |

Schedule GT-10N

| | |
|----------------------|---------|
| GT-10N: Tier I | 39.977¢ |
| Tier II | 20.697¢ |
| Tier III | 7.684¢ |

Customer Charge: 49.315¢/meter/day

Schedule GT-AC

| | |
|------------------------------|---------|
| GT-AC: rate per therm | 11.393¢ |
| GT-ACL: rate per therm | 9.114¢ |
| Customer Charge: \$150/month | |

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3397
 DECISION NO.

347

ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 5, 2004
 EFFECTIVE Aug 10, 2004
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 5

(Continued)

NONCORE RETAIL SERVICE (Continued)

Schedules GT-F, & GT-I (Continued)

Electric Generation (GT-F5 & GT-I5)

For customers using less than 3 million therms per year

Transmission Charge 6.585¢

Customer Charge: \$50

For customers using 3 million therms or more per year

Transmission Charge 3.438¢

Customer Charge: N/A

WHOLESALE SERVICE

Schedule GW-LB (Long Beach, GT-F7 & GT-I7)

Volumetric Charge 3.050¢

ITCS-LB (0.223¢)

Schedule GW-SD and GT-SD (San Diego Gas & Electric, GT-F8, GT-I8, GT-F11 & GT-I11)

Volumetric Charge 2.440¢

ITCS-SD (0.223¢)

Schedule GW-SWG (Southwest Gas, GT-F9 & GT-I9)

Volumetric Charge 2.850¢

ITCS-SWG (0.223¢)

Storage Reservation Charge (per year) \$1,192,118

Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)

Transmission Charge 2.572¢

ITCS-VRN..... (0.223¢)

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm 55.832¢

Non-Residential Cross-Over Rate, per therm 55.832¢

Residential Core Procurement Charge, per therm 55.832¢

Residential Cross-Over Rate, per therm 55.832¢

Adjusted Core Procurement Charge, per therm 55.631¢

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3397

DECISION NO.

5H7

ISSUED BY

Lee Schavrien

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 5, 2004

EFFECTIVE Aug 10, 2004

RESOLUTION NO. G-3351

R
R

Schedule No. GR
RESIDENTIAL SERVICE

Sheet 3

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GR-C (Continued)

Baseline Rate

All usage, per therm, under Special Conditions 2 and 3.

| | | | |
|-----------------------------|--------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-R</u> | <u>28.073¢</u> | |
| Commodity Charge: | GR-C | 83.905¢ | R |

Non-Baseline Rate

All usage, per therm.

| | | | |
|-----------------------------|--------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-R</u> | <u>46.307¢</u> | |
| Commodity Charge: | GR-C | 102.139¢ | R |

The number of therms to be billed shall be determined in accordance with Rule No. 2.

SPECIAL CONDITIONS

1. Baseline Rates: Baseline Rates are applicable only to specific volumes of residential usage.
2. Baseline Usage: The following quantities of gas used in individually metered residences not in a multi-family complex are to be billed at the Baseline rates. Usage in excess of applicable Baseline allowances will be billed at the Non-Baseline rates.

| <u>Per Residence</u> | <u>Daily Therm Allowance</u> <u>for Climate Zones*</u> | | |
|----------------------|---|----------|----------|
| | <u>1</u> | <u>2</u> | <u>3</u> |
| Summer | 0.473 | 0.473 | 0.473 |
| Winter | 1.691 | 1.823 | 2.950 |

* Climate Zones are described in the Preliminary Statement.

(Continued)

(TO BE INSERTED BY UTILITY)
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 DECISION NO.

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Lee Schavrien
 Vice President
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(TO BE INSERTED BY CAL. PUC)
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Schedule No. GS
MULTI-FAMILY SERVICE SUBMETERED

Sheet 3

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GS-C (Continued)

Baseline Rate

All usage, per therm, under Special Conditions 2 and 3.

| | | | |
|-----------------------------|--------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-S</u> | <u>28.073¢</u> | |
| Commodity Charge: | GS-C | 83.905¢ | R |

Non-Baseline Rate

All usage, per therm.

| | | | |
|-----------------------------|--------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-S</u> | <u>46.307¢</u> | |
| Commodity Charge: | GS-C | 102.139¢ | R |

The number of therms to be billed shall be determined in accordance with Rule 2.

SPECIAL CONDITIONS

1. Baseline Rates: Baseline Rates are applicable only to specific volumes of residential usage.
2. Baseline Usage: The following usage is to be billed at the Baseline rate for each submetered multi-family dwelling unit. Usage in excess of applicable Baseline allowances will be billed at the Non-Baseline rate.

| <u>Per Residence</u> | <u>Daily Therm Allowance for Climate Zones*</u> | | |
|----------------------|---|----------|----------|
| | <u>1</u> | <u>2</u> | <u>3</u> |
| Summer | 0.473 | 0.473 | 0.473 |
| Winter | 1.691 | 1.823 | 2.950 |

* Climate Zones are described in the Preliminary Statement.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3397
 DECISION NO.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 5, 2004
 EFFECTIVE Aug 10, 2004
 RESOLUTION NO. G-3351

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 3

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GM-EC and GM-CC

These charges will be applicable for only the first 12 months of service for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who have transferred from procuring their gas commodity from a Energy Service Provider (ESP) to utility procurement unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California; and (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service for up to 90 days while deciding whether to switch to a different ESP. These charges consists of: (1) the monthly procurement charge, as set forth in Schedule No. G-CPRC; (2) the GT-ME and GT-MC transmission charges, as set forth in Schedule No. GT-M; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

GM-EC

Baseline Rate

All usage, per therm, under Special Conditions 2 and 3.

| | | | |
|-----------------------------|---------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-ME</u> | <u>28.073¢</u> | R |
| Commodity Charge: | GM-EC | 83.905¢ | R |

Non-Baseline Rate

All usage, per therm.

| | | | |
|-----------------------------|---------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-ME</u> | <u>46.307¢</u> | R |
| Commodity Charge: | GM-EC | 102.139¢ | R |

GM-CC

All usage, per therm.

| | | | |
|-----------------------------|---------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-MC</u> | <u>46.307¢</u> | R |
| Commodity Charge: | GM-CC | 102.139¢ | R |

(Continued)

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Schedule No. G-AC
CORE AIR CONDITIONING SERVICE
FOR COMMERCIAL AND INDUSTRIAL

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges

G-AC

This charge is for service as defined above and consists of: (1) the monthly non-residential procurement charge as set forth in Schedule No. G-CP; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 10.

Rate, per therm.

| | | |
|-----------------------------|---------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-AC</u> | <u>11.677¢</u> |
| Commodity Charge: | G-AC | 67.509¢ |

G-ACC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Rate, per therm.

| | | |
|-----------------------------|---------------------|----------------|
| Procurement Charge: | G-CPNRC | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-AC</u> | <u>11.677¢</u> |
| Commodity Charge: | G-ACC | 67.509¢ |

R

R

(Continued)

(TO BE INSERTED BY UTILITY)
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 RESOLUTION NO. G-3351

Schedule No. G-EN
CORE GAS ENGINE SERVICE
FOR WATER PUMPING

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges (Continued)

G-EN (Continued)

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 6.

Rate, per therm

| | | |
|-----------------------------|---------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-EN</u> | <u>17.631¢</u> |
| Commodity Charge: | G-EN | 73.463¢ |

G-ENC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-EN transmission charge, as set forth in Schedule No. GT-EN; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

| | | |
|-----------------------------|---------------------|----------------|
| Procurement Charge: | G-CPNRC | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-EN</u> | <u>17.631¢</u> |
| Commodity Charge: | G-ENC | 73.463¢ |

R
R

Minimum Charge

The minimum monthly charge shall consist of the Monthly Customer Charge.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

(Continued)

Schedule No. G-NGV
NATURAL GAS SERVICE FOR MOTOR VEHICLES

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges (Continued)

Customer-Funded Fueling Station (Continued)

G-NGU (Continued)

Rate, uncompressed per therm.

| | | |
|-----------------------------|----------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-NGU</u> | <u>11.654¢</u> |
| Commodity Charge: | G-NGU | 67.486¢ |

G-NGUC

This charge will be applicable for the first 12 months of service for core transportation customers with qualifying load who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California. This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-NGU transmission charge, as set forth in Schedule No. GT-NGV; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Rate, uncompressed per therm.

| | | |
|-----------------------------|----------------------|----------------|
| Procurement Charge: | G-CPNRC | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-NGU</u> | <u>11.654¢</u> |
| Commodity Charge: | G-NGUC | 67.486¢ |

R
R

Utility-Funded Fueling Station

G-NGC Compression Surcharge per therm 35.000¢

The G-NGC Compression Surcharge will be added to the G-NGU Uncompressed rate per therm, or the G-NGUC Uncompressed rate per therm as applicable, as indicated in the Customer-Funded Fueling Station section above. The resultant total compressed rate is:

| | |
|---|----------|
| G-NGU plus G-NGC, compressed per therm | 102.486¢ |
| G-NGUC plus G-NGC, compressed per therm | 102.486¢ |

R

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3397
 DECISION NO.
 2H7

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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

| | |
|--|---------------|
| Cost of Gas, per therm | 55.631¢ |
| Brokerage Fee, per therm | <u>0.201¢</u> |
| Total Core Procurement Charge, per therm | 55.832¢ |

G-CPNRC

This is the non-residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPNR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

| | |
|---|---------------|
| Cost of Gas, (1) and (2) above, per therm | 55.631¢ |
| Brokerage Fee, per therm | <u>0.201¢</u> |
| Total Core Procurement Charge, per therm | 55.832¢ |

R
R

G-CPR

This charge is for residential service. Pursuant to D.96-08-037, SoCalGas was authorized to change the residential gas procurement charge monthly concurrent with its implementation of the 1996 BCAP Decision (D.97-04-082).

(Continued)

(TO BE INSERTED BY UTILITY)
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 RESOLUTION NO. G-3351

Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 3

(Continued)

RATES (Continued)

G-CPR (Continued)

The monthly residential gas procurement charge is comprised of: (1) the weighted average cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under- collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; and (5) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

| | |
|--|---------------|
| Cost of Gas, per therm | 55.631¢ |
| Brokerage Fee, per therm | <u>0.201¢</u> |
| Total Core Procurement Charge, per therm | 55.832¢ |

G-CPRC

This is the residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who transfer to utility procurement, or (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

| | | |
|---|---------------|---|
| Cost of Gas, (1) and (2) above, per therm | 55.631¢ | R |
| Brokerage Fee, per therm | <u>0.201¢</u> | |
| Total Core Procurement Charge, per therm | 55.832¢ | R |

The Border Price will be posted on the Utility's Internet web site at <http://www.socalgas.com>.

(Continued)

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 RESOLUTION NO. G-3351

Schedule No. GMB
LARGE MULTI-FAMILY SERVICE

Sheet 3

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GM-BEC and GM-BCC

These charges will be applicable for only the first 12 months of service for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who have transferred from procuring their gas commodity from a Energy Service Provider (ESP) to utility procurement unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California; and (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service for up to 90 days while deciding whether to switch to a different ESP. These charges consists of: (1) the monthly procurement charge, as set forth in Schedule No. G-CPRC; (2) the GT-MBE and GT-MBC transmission charges, as set forth in Schedule No. GT-MB; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

GM-BEC

Baseline Rate

All usage, per therm, under Special Conditions 2 and 3.

| | | | |
|-----------------------------|----------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-MBE</u> | <u>21.237¢</u> | R |
| Commodity Charge: | GM-BEC | 77.069¢ | R |

Non-Baseline Rate

All usage, per therm.

| | | | |
|-----------------------------|----------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-MBE</u> | <u>29.228¢</u> | R |
| Commodity Charge: | GM-BEC | 85.060¢ | R |

GM-BCC

All usage, per therm.

| | | | |
|-----------------------------|----------------------|----------------|---|
| Procurement Charge: | G-CPRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-MBC</u> | <u>29.228¢</u> | R |
| Commodity Charge: | GM-BCC | 85.060¢ | R |

(Continued)

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 RESOLUTION NO. G-3351

Schedule No. GN-10

Sheet 3

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GN-10 (Continued)

Tier II Rate, per therm, for usage above Tier I quantities and up to 4167 therms per month.

| | | |
|-----------------------------|---------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-10</u> | <u>24.548¢</u> |
| Commodity Charge: | GN-10 | 80.380¢ |

Tier III Rate, per therm, for all usage above 4167 therms per month.

| | | |
|-----------------------------|---------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-10</u> | <u>11.535¢</u> |
| Commodity Charge: | GN-10 | 67.367¢ |

GN-10C

These charges will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

These charges consist of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-10 transmission charges, as set forth in Schedule No. GT-10; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Tier I Rate, per therm, for the first 100 therms used during summer months and the first 250 therms used during winter months.

| | | |
|-----------------------------|---------------------|----------------|
| Procurement Charge: | G-CPNRC | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-10</u> | <u>43.828¢</u> |
| Commodity Charge: | GN-10C | 99.660¢ |

R

R

(Continued)

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Schedule No. GN-10

Sheet 4

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GN-10C (Continued)

Tier II Rate, per therm, for usage above Tier I quantities and up to 4167 therms per month.

| | | | |
|-----------------------------|---------------------|----------------|---|
| Procurement Charge: | G-CPNRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-10</u> | <u>24.548¢</u> | |
| Commodity Charge: | GN-10C | 80.380¢ | R |

Tier III Rate, per therm, for all usage above 4167 therms per month.

| | | | |
|-----------------------------|---------------------|----------------|---|
| Procurement Charge: | G-CPNRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-10</u> | <u>11.535¢</u> | |
| Commodity Charge: | GN-10C | 67.367¢ | R |

GN-10V

These charges are for service as defined above for those customers who are located in the City of Vernon, as defined in Special Condition 6. The charges consist of: (1) the monthly non-residential procurement charge as set forth in Schedule No. G-CP; (2) the GT-10V transmission charges, as set forth in Schedule No. GT-10; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 8.

Tier I Rate, per therm, for the first 100 therms used during summer months and the first 250 therms used during winter months.

| | | |
|-----------------------------|----------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-10V</u> | <u>43.828¢</u> |
| Commodity Charge: | GN-10V | 99.660¢ |

Tier II Rate, per therm, for usage above Tier I quantities and up to 4167 therms per month.

| | | |
|-----------------------------|----------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-10V</u> | <u>21.055¢</u> |
| Commodity Charge: | GN-10V | 76.887¢ |

(Continued)

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Schedule No. GN-10

Sheet 5

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GN-10V (Continued)

Tier III Rate, per therm, for all usage above 4167 therms per month.

| | | |
|-----------------------------|----------------------|----------------|
| Procurement Charge: | G-CPNR | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-10V</u> | <u>11.535¢</u> |
| Commodity Charge: | GN-10V | 67.367¢ |

GN-10VC

These charges will be applicable for the first 12 months of service for those customers who are located in the City of Vernon, as defined in Special Condition 6 and are: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The charges consist of: (1) the monthly non-residential procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-10V transmission charges, as set forth in Schedule No. GT-10; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Tier I Rate, per therm, for the first 100 therms used during summer months and the first 250 therms used during winter months.

| | | | |
|-----------------------------|----------------------|----------------|---|
| Procurement Charge: | G-CPNRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-10V</u> | <u>43.828¢</u> | |
| Commodity Charge: | GN-10VC | 99.660¢ | R |

Tier II Rate, per therm, for usage above Tier I quantities and up to 4167 therms per month.

| | | | |
|-----------------------------|----------------------|----------------|---|
| Procurement Charge: | G-CPNRC | 55.832¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-10V</u> | <u>21.055¢</u> | |
| Commodity Charge: | GN-10VC | 76.887¢ | R |

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3397
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(TO BE INSERTED BY CAL. PUC)
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 RESOLUTION NO. G-3351

Schedule No. GN-10

Sheet 6

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GN-10VC (Continued)

Tier III Rate, per therm, for all usage above 4167 therms per month.

| | | |
|-----------------------------|----------------------|----------------|
| Procurement Charge: | G-CPNRC | 55.832¢ |
| <u>Transmission Charge:</u> | <u>GPT-10V</u> | <u>11.535¢</u> |
| Commodity Charge: | GN-10VC | 67.367¢ |

R
R

Under this schedule, the winter season shall be defined as December 1 through March 31 and the summer season as April 1 through November 30.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. Customer may receive service under this schedule (a) separately, or (b) in combination with another rate schedule(s) through a single meter installation. Where service is rendered under (b), a separate monthly customer charge shall be applicable for service under each schedule unless otherwise stated.
3. In the event of curtailment, customers under this schedule will be curtailed in accordance with Rule No. 23, Continuity of Service and Interruption of Delivery.
4. Customers served hereunder may elect to be reclassified as noncore. Eligibility requirements are defined in Rule No. 1. Customers electing noncore service status must sign the required natural gas service agreement and have electronic meter reading equipment installed at the customers expense as a condition of noncore service. Those customers who have a signed commitment to this schedule must fulfill their obligation to that commitment prior to being reclassified as noncore.
5. Customer receiving service under this rate schedule may elect to aggregate their gas quantities to receive service under Schedule No. GT-10.
6. The rate savings afforded customers under Schedule No. GN-10V or GN-10VC shall only apply to those customers served under this schedule and located within the City of Vernon consistent with the SoCalGas-Vernon Stipulation and Settlement Agreement approved by D. 96-09-104. In addition, the Utility may negotiate rates other than those set forth herein for those customers located in the City of Vernon and served under this rate schedule, pursuant to the Agreement and D.96-09-104.

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. GSL

Sheet 3

SUBMETERED MULTI-FAMILY SERVICE, INCOME-QUALIFIED

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GSL-C

These charges will be applicable for only the first 12 months of service for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who have transferred from procuring their gas commodity from a Energy Service Provider (ESP) to utility procurement unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California; and (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service for up to 90 days while deciding whether to switch to a different ESP. These charges consists of: (1) the discounted monthly procurement charge, as set forth in Schedule No. G-CPRC; (2) the GT-SL transmission charges, as set forth in Schedule No. GT-SL; (3) the discounted San Juan Lateral interstate demand charge; and (4) the discounted procurement carrying cost of storage inventory charge. The procurement charge shown below has been discounted by 20 percent.

Baseline Rate

All usage, per therm, under Special Conditions 2 and 3.

| | | | |
|-----------------------------|---------------------|----------------|---|
| Procurement Charge: | G-CPRCL | 44.666¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-SL</u> | <u>22.458¢</u> | |
| Commodity Charge: | GSL-C | 67.124¢ | R |

Non-Baseline Rate

All usage, per therm.

| | | | |
|-----------------------------|---------------------|----------------|---|
| Procurement Charge: | G-CPRCL | 44.666¢ | R |
| <u>Transmission Charge:</u> | <u>GPT-SL</u> | <u>37.046¢</u> | |
| Commodity Charge: | GSL-C | 81.712¢ | R |

The number of therms to be billed shall be determined in accordance with Rule 2.

SPECIAL CONDITIONS

1. Baseline Rates: Baseline Rates are applicable only to specific volumes of residential usage.

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| GT-R | Core Aggregation Transportation for Residential Service | 31173-G,37671-G,37641-G,36798-G |
| GS | Multi-Family Service Submetered | 32567-G,38111-G,38140-G,36641-G 36642-G |
| GT-S | Core Aggregation Transportation for Multi-Family Submetered Service | 32570-G,37674-G,37643-G,36799-G,31179-G |
| GM | Multi-Family Service | 30832-G,38112-G,38141-G,37644-G 37645-G,36647-G,36648-G |
| GT-M | Core Aggregation Transportation for Multi-Family Service | 31180-G,37677-G,37646-G,35657-G 36800-G,31184-G |
| GMB | Large Multi-Family Service | 37248-G,38113-G,38142-G,37647-G 37648-G,36654-G,36655-G |
| GT-MB | Core Aggregation Transportation for Large Multi-Family Service | 37252-G,37680-G,37649-G,35659-G 36801-G,36657-G |
| GRL | Residential Service, Income Qualified | 33678-G,38114-G,37650-G,37833-G,31503-G |
| GT-RL | Core Aggregation Transportation Residential Service, Income Qualified | 33681-G,37682-G,37652-G,37834-G,36803-G |
| GSL | Submetered Multi-Family Service, Income Qualified | 33684-G,38115-G,38143-G,37653-G 37835-G,36662-G,36663-G |
| GT-SL | Core Aggregation Transportation Submetered Multi-Family Service, Income Qualified | 33687-G,37685-G,37654-G,37836-G 36804-G,36805-G |
| GO-SSA | Summer Saver Optional Rate for Owners of Existing Gas Equipment | 32044-G,38116-G,37655-G,37656-G,31253-G |
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| GO-SSB | SummerSaver Optional Rate for Customers Purchasing New or Repairing Inoperable Equip. | 32046-G,38117-G,37658-G,37659-G,31263-G |
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| GO-AC | Optional Rate for Customers Purchasing New Gas Air Conditioning Equipment | 32048-G,38118-G,37662-G,37663-G,31277-G |
| GTO-AC | Transportation-Only Optional Rate for Customers Purchasing New Gas Air Conditioning Equipment | 31584-G,37691-G,37664-G,37665-G,31282-G |

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| G-NGV | Natural Gas Service for Motor Vehicles | 32059-G,38150-G,36697-G,36698-G | T |
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| GO-IR | Incremental Rate for Existing Equipment for Core Commercial and Industrial | 30206-G,32062-G,30208-G | |
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| GT-I | Interruptible Intrastate Transmission Service | 37936-G,37537-G,32670-G 32671-G,34839-G,36527-G | |

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ATTACHMENT C

ADVICE NO. 3397

**G-CPNRC & G-CPRC RATE CALCULATION WORKPAPER
SCHEDULE NO. G-CP CROSS-OVER RATE FILING
EFFECTIVE AUGUST 10, 2004**

Border Price Index (BPI)

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence (NGI) and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week (NGW)

August 2004 NGI's Price Index (NGIPI) = \$0.58100 per therm

August 2004 NGW's Price Index (NGWPI) = \$0.58100 per therm

**Border Price Index (BPI) = (NGIPI + NGWPI) / 2
BPI = \$0.58100 per therm**

Adjusted Border Price Index (ABPI)

**Remove Core Pipeline Demand Costs from BPI
ABPI = \$0.58100 - \$0.03738 = \$0.54362 per therm**

Core Procurement Cost of Gas (CPC)

8/1/04 G-CPNR & G-CPR Cost of Gas (without Brokerage Fee) = \$0.55631

Adjusted Core Procurement Cost of Gas (ACPC)

**Remove 2.0012% Franchise Fee and Uncollectibles (FF&U)
ACPC = \$0.55631 / 1.020012 = \$0.54540 per therm**

G-CPNRC & G-CPRC Cross-Over Rate Calculation:

Higher of ACPC or ABPI = ACPC = \$0.54540

**Include 2.0012% Franchise Fee and Uncollectibles (FF&U)
G-CPNRC & G-CPRC Cost of Gas = \$0.54540 * 1.020012 = \$0.55631 per therm**