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August 23, 2004

Advice No. 3400 (U 904 G)

Public Utilities Commission of the State of California

**Subject: July 2004 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 July 2004.

**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 July 2004 (covering the period July 1, 2004 to August 20, 2004), the highest daily border price index at the Southern California border is **\$0.60525** per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are **\$0.91054** per therm for noncore retail service and all wholesale service, and

[\\$0.90989](#) 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, 4<sup>th</sup> 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](mailto:jjr@cpuc.ca.gov)) and Honesto Gatchalian ([ijnj@cpuc.ca.gov](mailto: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  
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555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-Mail: [snewsom@semprautilities.com](mailto:snewsom@semprautilities.com)

### **Effective Date**

It is respectfully requested that the tariff sheets filed herein be made effective August 23, 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 August 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.

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J. STEVE RAHON  
Director  
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Attachments

**ATTACHMENT A**

**Advice No. 3400**

**(See Attached Service List)**

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ATTACHMENT B  
Advice No. 3400

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 38169-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 38099-G
Revised 38170-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 38100-G
Revised 38171-G	TABLE OF CONTENTS	Revised 38102-G
Revised 38172-G	TABLE OF CONTENTS	Revised 38155-G*

PRELIMINARY STATEMENT  
 PART II  
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

May, 2004 .....	94.701¢
June, 2004 .....	94.214¢
July, 2004 .....	90.989¢

Noncore Retail Standby (SP-NR)

May, 2004 .....	94.766¢
June, 2004 .....	94.279¢
July, 2004 .....	91.054¢

Wholesale Standby (SP-W)

May, 2004 .....	94.766¢
June, 2004 .....	94.279¢
July, 2004 .....	91.054¢

Buy-Back Rate

Core and Noncore Retail (BR-R)

May, 2004 .....	27.668¢
June, 2004 .....	31.383¢
July, 2004 .....	29.304¢

Wholesale (BR-W)

May, 2004 .....	27.534¢
June, 2004 .....	31.230¢
July, 2004 .....	29.162¢

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3400  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Aug 23, 2004  
 EFFECTIVE Aug 23, 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:

Core Retail Standby (SP-CR)

May, 2004 .....	94.701¢
June, 2004 .....	94.214¢
July, 2004 .....	90.989¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

May, 2004 .....	94.766¢
June, 2004 .....	94.279¢
July, 2004 .....	91.054¢

Wholesale Service:

SP-W Standby Rate per therm

May, 2004 .....	94.766¢
June, 2004 .....	94.279¢
July, 2004 .....	91.054¢

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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(TO BE INSERTED BY UTILITY)  
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 Vice President  
 Regulatory Affairs

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**Lee Schavrien**  
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 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
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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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**ATTACHMENT C**

**ADVICE NO. 3400**

**RATE CALCULATION WORKPAPER  
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING  
EFFECTIVE JULY 2004**

**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 July 24, 25, and 26, 2004.

**7/24-26/04 NGI's Daily Gas Price Index (NDGPI) = \$0.6050 per therm**

**7/24-26/04 Gas Daily's Daily Price Survey (GDDPS) = \$0.6055 per therm**

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

**HDBPI = \$0.60525 per therm**

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

**SP-CR = 150% x \$ 0.60525 + \$ 0.00201 = \$ 0.90989**

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

**SP-NR = 150% x \$ 0.60525 + \$ 0.00266 = \$ 0.91054**

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

**SP-W = 150% x \$ 0.60525 + \$ 0.00266 = \$ 0.91054**