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September 8, 2004

Advice No. 3404
(U 904 G)

Public Utilities Commission of the State of California

Subject: Cross-Over Rate for September 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 September 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 September 2004 is **48.063** cents per therm, which is the same as the Core Procurement rate as filed by AL 3403 on August 31, 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 September 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
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Attachments

ATTACHMENT A

Advice No. 3404

(See Attached Service List)

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ATTACHMENT B
Advice No. 3404

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 38209-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 1	Revised 38178-G
Revised 38210-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 2	Revised 38179-G
Revised 38211-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 3	Revised 38180-G
Revised 38212-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 5	Revised 38181-G
Revised 38213-G	Schedule No. GR, RESIDENTIAL SERVICE, Sheet 3	Revised 38139-G
Revised 38214-G	Schedule No. GS, MULTI-FAMILY SERVICE SUBMETERED, Sheet 3	Revised 38140-G
Revised 38215-G	Schedule No. GM, MULTI-FAMILY SERVICE, Sheet 3	Revised 38141-G
Revised 38216-G	Schedule No. GMB, LARGE MULTI-FAMILY SERVICE, Sheet 3	Revised 38142-G
Revised 38217-G	Schedule No. GSL, SUBMETERED MULTI- FAMILY SERVICE, INCOME-QUALIFIED, Sheet 3	Revised 38143-G
Revised 38218-G	Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 3	Revised 38195-G
Revised 38219-G	Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 4	Revised 38196-G
Revised 38220-G	Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 5	Revised 38197-G
Revised 38221-G	Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 6	Revised 38147-G
Revised 38222-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 2	Revised 38199-G
Revised 38223-G	Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 2	Revised 38201-G

ATTACHMENT B
Advice No. 3404

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 38224-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, Sheet 2	Revised 38202-G
Revised 38225-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 2	Revised 38203-G
Revised 38226-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 3	Revised 38204-G
Revised 38227-G	TABLE OF CONTENTS	Revised 38206-G
Revised 38228-G	TABLE OF CONTENTS	Revised 38207-G
Revised 38229-G	TABLE OF CONTENTS	Revised 38208-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	76.136¢
Non-Baseline Usage	94.370¢
Cross-Over Rate Baseline Usage.....	76.136¢
Cross-Over Rate Non-Baseline Usage	94.370¢
Customer Charge: 16.438¢/meter/day	

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Schedule GMB

Baseline Usage	69.300¢
Non-Baseline Usage	77.291¢
Cross-Over Rate Baseline Usage.....	69.300¢
Cross-Over Rate Non-Baseline Usage	77.291¢
Customer Charge: \$9.523/meter/day	

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Schedules GRL & GSL

Baseline Usage	60.908¢
Non-Baseline Usage	75.496¢
Cross-Over Rate Baseline Usage (GSL only)	60.908¢
Cross-Over Rate Non-Baseline Usage (GSL only)	75.496¢
Customer Charge: 13.151¢/meter/day	

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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 48.063¢/therm which includes the core brokerage fee.
- (2) The residential cross-over rate as set forth in Schedule No. G-CP is 48.063¢/therm which includes the core brokerage fee.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3404
 DECISION NO.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 8, 2004
 EFFECTIVE Sep 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	91.891¢
	Tier II	72.611¢
	Tier III	59.598¢
GN-10C:	Tier I	91.891¢
	Tier II	72.611¢
	Tier III	59.598¢
GN-10V:	Tier I	91.891¢
	Tier II	69.118¢
	Tier III	59.598¢
GN-10VC:	Tier I	91.891¢
	Tier II	69.118¢
	Tier III	59.598¢

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	73.512¢
	Tier II	58.088¢
	Tier III	47.678¢

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	59.740¢
G-ACC:	rate per therm	59.740¢
G-ACL:	rate per therm	47.791¢
Customer Charge:	\$150/month	

Schedule G-EN

G-EN:	rate per therm	65.694¢
G-ENC:	rate per therm	65.694¢
Customer Charge:	\$50/month	

- (1) The non-residential core procurement charge as set forth in Schedule No. G-CP is 48.063¢/therm which includes the core brokerage fee.
- (2) The non-residential cross over rate as set forth in Schedule No. G-CP is 48.063¢/therm which includes the core brokerage fee.
- (3) Schedule GL rates are set commensurate with Rate Schedule GN-10.

(Continued)

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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	59.717¢
G-NGUC: rate per therm	59.717¢
G-NGU plus G-NGC Compression Surcharge	94.717¢
G-NGUC plus G-NGC Compression Surcharge	94.717¢
P-1 Customer Charge: \$13/month	
P-2A Customer Charge: \$65/month	

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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)

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 Regulatory Affairs

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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 48.063¢

Non-Residential Cross-Over Rate, per therm 48.063¢

Residential Core Procurement Charge, per therm 48.063¢

Residential Cross-Over Rate, per therm 48.063¢

Adjusted Core Procurement Charge, per therm 47.862¢

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3404

DECISION NO.

5H8

ISSUED BY

Lee Schavrien

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 8, 2004

EFFECTIVE Sep 10, 2004

RESOLUTION NO. G-3351

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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	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-R</u>	<u>28.073¢</u>	
Commodity Charge:	GR-C	76.136¢	R

Non-Baseline Rate

All usage, per therm.

Procurement Charge:	G-CPRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-R</u>	<u>46.307¢</u>	
Commodity Charge:	GR-C	94.370¢	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 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)

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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	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-S</u>	<u>28.073¢</u>	
Commodity Charge:	GS-C	76.136¢	R

Non-Baseline Rate

All usage, per therm.

Procurement Charge:	G-CPRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-S</u>	<u>46.307¢</u>	
Commodity Charge:	GS-C	94.370¢	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)

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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	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-ME</u>	<u>28.073¢</u>	R
Commodity Charge:	GM-EC	76.136¢	R

Non-Baseline Rate

All usage, per therm.

Procurement Charge:	G-CPRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-ME</u>	<u>46.307¢</u>	R
Commodity Charge:	GM-EC	94.370¢	R

GM-CC

All usage, per therm.

Procurement Charge:	G-CPRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-MC</u>	<u>46.307¢</u>	R
Commodity Charge:	GM-CC	94.370¢	R

(Continued)

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ISSUED BY
Lee Schavrien
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 RESOLUTION NO. G-3351

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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>11.677¢</u>
Commodity Charge:	G-AC	59.740¢

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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>11.677¢</u>
Commodity Charge:	G-ACC	59.740¢

R

R

(Continued)

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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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>17.631¢</u>
Commodity Charge:	G-EN	65.694¢

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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>17.631¢</u>
Commodity Charge:	G-ENC	65.694¢

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)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3404
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2H8

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 RESOLUTION NO. G-3351

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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-NGU</u>	<u>11.654¢</u>
Commodity Charge:	G-NGU	59.717¢

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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-NGU</u>	<u>11.654¢</u>
Commodity Charge:	G-NGUC	59.717¢

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	94.717¢
G-NGUC plus G-NGC, compressed per therm	94.717¢

R

(Continued)

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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

Cost of Gas, per therm	47.862¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	48.063¢

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	47.862¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	48.063¢

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)

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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	47.862¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	48.063¢

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	47.862¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	48.063¢

R
R

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

(Continued)

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(TO BE INSERTED BY CAL. PUC)
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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	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-MBE</u>	<u>21.237¢</u>	R
Commodity Charge:	GM-BEC	69.300¢	R

Non-Baseline Rate

All usage, per therm.

Procurement Charge:	G-CPRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-MBE</u>	<u>29.228¢</u>	R
Commodity Charge:	GM-BEC	77.291¢	R

GM-BCC

All usage, per therm.

Procurement Charge:	G-CPRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-MBC</u>	<u>29.228¢</u>	R
Commodity Charge:	GM-BCC	77.291¢	R

(Continued)

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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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>24.548¢</u>
Commodity Charge:	GN-10	72.611¢

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

Procurement Charge:	G-CPNR	48.063¢
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>11.535¢</u>
Commodity Charge:	GN-10	59.598¢

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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>43.828¢</u>
Commodity Charge:	GN-10C	91.891¢

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(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	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>24.548¢</u>	
Commodity Charge:	GN-10C	72.611¢	R

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

Procurement Charge:	G-CPNRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>11.535¢</u>	
Commodity Charge:	GN-10C	59.598¢	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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>43.828¢</u>
Commodity Charge:	GN-10V	91.891¢

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

Procurement Charge:	G-CPNR	48.063¢
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>21.055¢</u>
Commodity Charge:	GN-10V	69.118¢

(Continued)

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Schedule No. GN-10
CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

Sheet 5

(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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>11.535¢</u>
Commodity Charge:	GN-10V	59.598¢

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	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>43.828¢</u>	
Commodity Charge:	GN-10VC	91.891¢	R

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

Procurement Charge:	G-CPNRC	48.063¢	R
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>21.055¢</u>	
Commodity Charge:	GN-10VC	69.118¢	R

(Continued)

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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	48.063¢
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>11.535¢</u>
Commodity Charge:	GN-10VC	59.598¢

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	38.450¢	R
<u>Transmission Charge:</u>	<u>GPT-SL</u>	<u>22.458¢</u>	
Commodity Charge:	GSL-C	60.908¢	R

Non-Baseline Rate

All usage, per therm.

Procurement Charge:	G-CPRCL	38.450¢	R
<u>Transmission Charge:</u>	<u>GPT-SL</u>	<u>37.046¢</u>	
Commodity Charge:	GSL-C	75.496¢	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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3404
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Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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GSL	Submetered Multi-Family Service, Income Qualified	33684-G,38189-G,38217-G,37653-G 37835-G,36662-G,36663-G
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ATTACHMENT C

ADVICE NO. 3404

**G-CPNRC & G-CPRC RATE CALCULATION WORKPAPER
SCHEDULE NO. G-CP CROSS-OVER RATE FILING
EFFECTIVE SEPTEMBER 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)

September 2004 NGI's Price Index (NGIPI) = \$0.48900 per therm

September 2004 NGW's Price Index (NGWPI) = \$0.48900 per therm

**Border Price Index (BPI) = (NGIPI + NGWPI) / 2
BPI = \$0.48900 per therm**

Adjusted Border Price Index (ABPI)

**Remove Core Pipeline Demand Costs from BPI
ABPI = \$0.48900 - \$0.03738 = \$0.45162 per therm**

Core Procurement Cost of Gas (CPC)

9/1/04 G-CPNR & G-CPR Cost of Gas (without Brokerage Fee) = \$0.47862

Adjusted Core Procurement Cost of Gas (ACPC)

**Remove 2.0012% Franchise Fee and Uncollectibles (FF&U)
ACPC = \$0.47862 / 1.020012 = \$0.46923 per therm**

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

Higher of ACPC or ABPI = ACPC = \$0.46923

**Include 2.0012% Franchise Fee and Uncollectibles (FF&U)
G-CPNRC & G-CPRC Cost of Gas = \$0.46923 * 1.020012 = \$0.47862 per therm**