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September 22, 2004

Advice No. 3409  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: August 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 August 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 August 2004 (covering the period August 1, 2004 to September 20, 2004), the highest daily border price index at the Southern California border is **\$0.59300** per therm. The resultant Standby Procurement Charges, calculated in the

manner set forth above, are \$0.89216 per therm for noncore retail service and all wholesale service, and \$0.89151 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  
Tariff Manager - GT14D6  
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 September 22, 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 September 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  
Tariffs and Regulatory Accounts

Attachments

**ATTACHMENT A**

**Advice No. 3409**

**(See Attached Service List)**

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ATTACHMENT B  
Advice No. 3409

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 38266-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 38173-G
Revised 38267-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 38174-G
Revised 38268-G	TABLE OF CONTENTS	Revised 38176-G
Revised 38269-G	TABLE OF CONTENTS	Revised 38229-G

PRELIMINARY STATEMENT  
 PART II  
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

June, 2004 .....	94.214¢
July, 2004 .....	90.989¢
August, 2004 .....	89.151¢

Noncore Retail Standby (SP-NR)

June, 2004 .....	94.279¢
July, 2004 .....	91.054¢
August, 2004 .....	89.216¢

Wholesale Standby (SP-W)

June, 2004 .....	94.279¢
July, 2004 .....	91.054¢
August, 2004 .....	89.216¢

Buy-Back Rate

Core and Noncore Retail (BR-R)

June, 2004 .....	31.383¢
July, 2004 .....	29.304¢
August, 2004 .....	27.816¢

Wholesale (BR-W)

June, 2004 .....	31.230¢
July, 2004 .....	29.162¢
August, 2004 .....	27.681¢

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3409  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Sep 22, 2004  
 EFFECTIVE Sep 22, 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)

June, 2004 .....	94.214¢
July, 2004 .....	90.989¢
August, 2004 .....	89.151¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

June, 2004 .....	94.279¢
July, 2004 .....	91.054¢
August, 2004 .....	89.216¢

Wholesale Service:

SP-W Standby Rate per therm

June, 2004 .....	94.279¢
July, 2004 .....	91.054¢
August, 2004 .....	89.216¢

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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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TABLE OF CONTENTS

(Continued)

GT-SD	Intrastate Transmission Service .....	37538-G,30593-G,30594-G,36311-G
GT-PS	Peaking Service .....	37937-G,37938-G,37939-G,37940-G 37941-G,37542-G,35955-G,35956-G,37942-G
GW-LB	Wholesale Natural Gas Service .....	37943-G,38061-G,38062-G 38063-G,38064-G
GW-SD	Wholesale Natural Gas Service .....	37948-G,37949-G,37950-G 37951-G
GW-SWG	Wholesale Natural Gas Service .....	37952-G,37953-G,37954-G,37955-G
GW-VRN	Wholesale Natural Gas Service .....	37956-G,37957-G,37958-G 37959-G,37960-G
G-IMB	Transportation Imbalance Service .....	36312-G,38267-G,38175-G,37633-G 37730-G,36313-G,33498-G
G-ITC	Interconnect Access Service .....	32698-G,32699-G
G-BSS	Basic Storage Service .....	32700-G,32701-G,32702-G,32703-G 37961-G,37962-G,37963-G,37964-G
G-AUC	Auction Storage Service .....	32708-G,32709-G,32710-G,32711-G 32712-G,32713-G,36314-G,32715-G
G-LTS	Long-Term Storage Service .....	32716-G,32717-G,32718-G,32719-G 32720-G,32721-G,37965-G,37966-G
G-TBS	Transaction Based Storage Service .....	32724-G,32725-G,27374-G,27375-G 31929-G,36315-G,27378-G
G-CBS	UDC Consolidated Billing Service .....	34071-G,34072-G,34073-G,33095-G
G-PPPS	Tax Surcharge to Fund Public Purpose Programs .....	37025-G,34262-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account .....	37199-G
G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program .....	32828-G
G-MSUR	Transported Gas Municipal Surcharge .....	36621-G,25006-G
GIT	Interruptible Interutility Transportation .....	24567-G,24568-G
GLT	Long-Term Transportation of Customer-Owned Natural Gas .....	24569-G,24570-G,24571-G
GLT-1	Transportation of Customer-Owned Natural Gas .....	24572-G,24573-G,24574-G 24575-G,24576-G,24577-G
GLT-2	Transportation of Customer-Owned Natural Gas .....	24578-G,24579-G,24580-G 24581-G,24582-G,24583-G
G-LOAN	Hub Loaning .....	37299-G
G-PRK	Hub Parking .....	37300-G
G-WHL	Hub Wheeling .....	37547-G
G-FIG	Fiber Optic Cable in Gas Pipelines .....	37005-G,37006-G,37007-G,37008-G 37009-G,37010-G,37011-G,37012-G,37013-G

(Continued)

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 349

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 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
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 EFFECTIVE Sep 22, 2004  
 RESOLUTION NO. G-3316

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TABLE OF CONTENTS

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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page .....	21888-G
Table of Contents--General and Preliminary Statement .....	38269-G,37552-G
Table of Contents--Service Area Maps and Descriptions .....	28516-G
Table of Contents--Rate Schedules .....	38227-G,38228-G,38268-G
Table of Contents--List of Cities and Communities Served .....	37398-G
Table of Contents--List of Contracts and Deviations .....	37894-G
Table of Contents--Rules .....	37972-G,36627-G
Table of Contents--Sample Forms .....	37851-G,37017-G,38167-G,37486-G,36796-G

PRELIMINARY STATEMENT

Part I General Service Information .....	37917-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges .....	38209-G,38210-G,38211-G,37918-G,38212-G,38266-G 32491-G,32492-G,37198-G,38182-G,38183-G,37495-G,37496-G
Part III Cost Allocation and Revenue Requirement .....	27024-G,37920-G,27026-G,27027-G,37237-G
Part IV Income Tax Component of Contributions and Advances .....	36614-G,24354-G
Part V Description of Regulatory Accounts-Balancing .....	35874-G,34820-G,37156-G 37004-G,34822-G,34823-G,34824-G,34825-G,34826-G,34827-G,34682-G,35770-G,35874-G
Part VI Description of Regulatory Accounts-Memorandum .....	38003-G,34279-G,34280-G 34281-G,38004-G,38005-G,38006-G,38007-G,38008-G,38009-G 38010-G,38011-G,38012-G,38013-G,38014-G,38015-G,38016-G
Part VII Description of Regulatory Accounts-Tracking .....	38017-G,38018-G,38019-G 38020-G,38021-G,38022-G,38023-G
Part VIII Gas Cost Incentive Mechanism (GCIM) .....	37921-G,35877-G,37922-G,36869-G 36870-G,35881-G
Part IX Hazardous Substances Mechanism (HSM) .....	26199-G,26200-G,26201-G
Part X Global Settlement .....	32530-G,32531-G,32532-G,32533-G

(Continued)

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**ATTACHMENT C**

**ADVICE NO. 3409**

**RATE CALCULATION WORKPAPER  
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING  
EFFECTIVE AUGUST 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 August 1 and 2, 2004.

**8/1/04 and 8/2/04 NGI's Daily Gas Price Index (NDGPI) = \$0.5930 per therm**

**8/1/04 and 8/2/04 Gas Daily's Daily Price Survey (GDDPS) = \$0.5930 per therm**

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

**HDBPI = \$0.59300 per therm**

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

**SP-CR = 150% x \$ 0.59300 + \$ 0.00201 = \$ 0.89151**

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

**SP-NR = 150% x \$ 0.59300 + \$ 0.00266 = \$ 0.89216**

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

**SP-W = 150% x \$ 0.59300 + \$ 0.00266 = \$ 0.89216**