

J. Steve Rahon Director Tariffs & Regulatory Accounts

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January 4, 2005

Advice No. 3449 (U 904 G)

Public Utilities Commission of the State of California

Subject: Daily Balancing Standby Rates for December 23-31, 2004

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This routine filing updates the Daily Balancing Standby Rates for the period of December 23, 2004 through December 31, 2004 in Schedule No. G-IMB, Transportation Imbalance Service, as authorized by the Commission's approval of SoCalGas' Advice Nos. 2651, 2651-A and 2651-B on December 26, 1997, which were filed in compliance with Decision (D.) 97-11-070, dated November 19, 1997, which modified Capacity Brokering Decision D.90-09-089 by adopting modifications to SoCalGas' balancing rules.

Background

As authorized in Schedule No. G-IMB, customers will be subject to balancing rules during the winter operating period. From November through March, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of burn over a five day period. As the Utility's total inventory in storage declines to the peak day minimum + 20 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 70% of burn daily. As the Utility's total inventory in storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 90% of burn daily. Volumes not in compliance with the minimum delivery requirements will be purchased at the daily balancing standby rates described below. Imbalance trading and as-available withdrawal may not be used to offset the minimum delivery requirements. A complete description of the winter minimum delivery requirements is specified in Rule No. 30, Transportation of Customer-Owned Gas.

The Daily Balancing Standby Rates are calculated as follows:

- During November through March customers are required to deliver (flowing supply and firm storage withdrawal) at a minimum of 50% of burn during a five-day period. Volumes not in compliance with the 50% five-day minimum delivery requirement are purchased at the daily balancing standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the fiveday period as published in "NGI's *Daily* Gas Price Index" including authorized franchise fees and, for retail customers, uncollectible expenses (F&U), and an authorized brokerage fee.
- 2. When the Utility's total inventory in storage declines to the "peak day minimum + 20 Bcf trigger", the minimum daily delivery requirement increases to 70%. The five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily* Gas Price Index for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 70% delivery requirement.
- 3. When the Utility's total inventory in storage declines to the "peak day minimum + 5 Bcf trigger", the minimum delivery requirement increases to 90% daily. Similar to the 70% regime, the five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily* Gas Price Index for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 90% delivery requirement.

As further authorized in Schedule No. G-IMB, by the Commission's approval of SoCalGas' Advice No. 3018 on June 6, 2001, the Daily Balancing Standby Rates may be filed weekly to become effective immediately. In any event, the Daily Balancing Standby Rates shall be filed on or before the fifth business day of each month.

Requested Rate Revision

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets. The note at the end of the Daily Balancing Standby Rates section is revised to state that for the days of December 1-31, 2004 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies. The workpaper showing the calculation of these rates is incorporated herein as Attachment C.

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch California Public Utilities Commission 505 Van Ness Avenue, 4th Floor San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (<u>jir@cpuc.ca.gov</u>) and to Honesto Gatchalian (<u>inj@cpuc.ca.gov</u>) of the Energy Division. A copy of the protest should also be sent via both e-mail <u>and</u> 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: <u>snewsom@SempraUtilities.com</u>

Effective Date

As authorized in Schedule No. G-IMB, the tariff sheets filed herein are to be effective for service on and after January 4, 2005, which is the date filed, and are to be applicable to the period of December 23, 2004 through December 31, 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. 3449

(See Attached Service List)

Advice Letter Distribution List - Advice 3449

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ATTACHMENT B Advice No. 3449

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.	
Revised 38653-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5	Revised 38529-G	
Revised 38654-G	TABLE OF CONTENTS	Revised 38614-G	
Revised 38655-G	TABLE OF CONTENTS	Revised 38652-G*	

LOS ANGELES, CALIFORNIA CANCELING

Revised CAL. P.U.C. SHEET NO. 38653-G Revised CAL. P.U.C. SHEET NO. 38529-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

<u>RATES</u> (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

December 2004	Core Retail	Noncore Retail	Wholesale
<u>Day</u>	<u>DB-CR</u>	<u>DB-NR</u>	<u>DB-W</u>
21	\$1.03477	\$1.03542	\$1.03040
22	\$0.99958	\$1.00023	\$0.99538
23	\$1.02559	\$1.02624	\$1.02126
24	\$0.99346	\$0.99411	\$0.98929
25	\$0.99346	\$0.99411	\$0.98929
Period 5 High	\$1.03477	\$1.03542	\$1.03040
26	\$0.99346	\$0.99411	\$0.98929
27 28 20	\$0.99346 \$0.93226	\$0.99411 \$0.93291	\$0.98929 \$0.92839
29	\$0.90013	\$0.90078	\$0.89641
30	\$0.89707	\$0.89772	\$0.89337
31	\$0.89707	\$0.89772	\$0.89337
Period 6 High	\$0.99346	\$0.99411	\$0.98929

Note: For the days of December 1-31, 2004 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies.

Revision of Rates

The Standby Procurement Charge and the Buy-Back Rate shall be established effective the last day of each month. The Daily Balancing Standby Rate shall be established on NGI's *Daily* Gas Price Index. Utility may file the Daily Balancing Standby Rate weekly to become effective immediately. In any event, the Daily Balancing Standby Rate shall be filed on or before the fifth business day of each month.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.

(Continued) ISSUED BY Lee Schavrien

Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED Jan 4, 2005 EFFECTIVE Jan 4, 2005 RESOLUTION NO.

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3449 DECISION NO. 97-11-070 (Continued)

ISSUED BY Lee Schavrien Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED Jan 4, 2005 EFFECTIVE Jan 4, 2005 RESOLUTION NO.

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Т

Т

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ISSUED BY Lee Schavrien Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)			
DATE FILED	Jan 4, 2005		
EFFECTIVE	Jan 4, 2005		
RESOLUTION NO.			

ATTACHMENT C ADVICE NO. 3449 RATE CALCULATION WORKPAPER DAILY BALANCING STANDBY RATE FILING EFFECTIVE DECEMBER 1-31, 2004

Daily Balancing Standby Rate = 150% x (NGI's Price Index + F&U Charge) + Brokerage Fee F&U Charge is 2.0012% of NGI's Price Index for Retail and 1.5051% for Wholesale Brokerage Fee is 0.201 cents for Core Retail; 0.266 cents for Noncore Retail/Wholesale

December	NGI's	Daily Balancing Standby Rates		
<u>Day</u>	Price Index	Core Retail	<u>Noncore Retail</u>	<u>Wholesale</u>
4	CO 74000	¢4 40000	¢4 40074	¢4 00700
1	\$0.71900	\$1.10209	\$1.10274	\$1.09739
2	\$0.72200	\$1.10668	\$1.10733	\$1.10196
3	\$0.69300	\$1.06231	\$1.06296	\$1.05781
4	\$0.63700	\$0.97663	\$0.97728	\$0.97254
5	\$0.63700	\$0.97663	\$0.97728	\$0.97254
6	\$0.63700	\$0.97663	\$0.97728	\$0.97254
7	\$0.64400	\$0.98734	\$0.98799	\$0.98320
8	\$0.63600	\$0.97510	\$0.97575	\$0.97102
9	\$0.61100	\$0.93685	\$0.93750	\$0.93295
10	\$0.61600	\$0.94450	\$0.94515	\$0.94057
11	\$0.60900	\$0.93379	\$0.93444	\$0.92991
12	\$0.60900	\$0.93379	\$0.93444	\$0.92991
13	\$0.60900	\$0.93379	\$0.93444	\$0.92991
14	\$0.67500	\$1.03477	\$1.03542	\$1.03040
15	\$0.68200	\$1.04548	\$1.04613	\$1.04106
16	\$0.66500	\$1.01947	\$1.02012	\$1.01517
17	\$0.65700	\$1.00723	\$1.00788	\$1.00299
18	\$0.67000	\$1.02712	\$1.02777	\$1.02279
19	\$0.67000	\$1.02712	\$1.02777	\$1.02279
20	\$0.67000	\$1.02712	\$1.02777	\$1.02279
21	\$0.67500	\$1.03477	\$1.03542	\$1.03040
22	\$0.65200	\$0.99958	\$1.00023	\$0.99538
23	\$0.66900	\$1.02559	\$1.02624	\$1.02126
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26	\$0.64800	\$0.99346	\$0.99411	\$0.98929
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(All rates are per therm)