

J. Steve Rahon
Director
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January 31, 2005

Advice No. 3459 (U 904 G)

Public Utilities Commission of the State of California

#### Subject: January 2005 Buy-Back Rates

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 Buy-Back Rates in Schedule No. G-IMB for January 2005.

#### **Background**

As authorized in Schedule No. G-IMB - Transportation Imbalance Service, the Buy-Back Rates are established effective the last day of each month.

The Buy-Back Rates will be the lower of 1) the lowest incremental cost of gas purchased by Utility during the month the 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.

#### Information

During the month of January 2005, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for January 2005 are being set accordingly. The workpaper showing details of the calculation of these rates is incorporated herein as Attachment C.

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets.

Pursuant to Resolution G-3316, the January 2005 Standby Procurement Charges will be filed by separate advice letter at least one day prior to February 23, 2005.

#### **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 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 (<a href="mailto:ijr@cpuc.ca.gov">ijr@cpuc.ca.gov</a>) and to Honesto Gatchalian (<a href="mailto:inj@cpuc.ca.gov">inj@cpuc.ca.gov</a>) of the Energy Division. A copy of the protest should also be sent via both e-mail <a href="mailto:and">and</a> 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**

It is requested that the tariff sheets filed herein be made effective January 31, 2005 to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3448, dated December 30, 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. 3459

(See Attached Service List)

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GMorrow@acninc.com

**Aglet Consumer Alliance** 

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**CPUC** 

Consumer Affairs Branch 505 Van Ness Ave., #2003 San Francisco, CA 94102

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City of Los Angeles City Attorney 1700 City Hall East Los Angeles, CA 90012

City of Vernon Daniel Garcia

dgarcia@ci.vernon.ca.us

Pat Darish

pdarish@acninc.com

**Davis Wright Tremaine, LLP Davis Wright Tremaine, LLP** Davis, Wright, Tremaine Christopher Hilen Edward W. O'Neill Judy Pau chrishilen@dwt.com One Embarcadero Center, #600 judypau@dwt.com San Francisco, CA 94111-3834 **Dept. of General Services Dept. of General Services Douglass & Liddell Celia Torres Deniese Earley** liddell@energyattorney.com celia.torres@dgs.ca.gov deniese.earley@dgs.ca.gov Dan Douglass Downey, Brand, Seymour & Rohwer Downey, Brand, Seymour & Rohwer douglass@energyattorney.com **Ann Trowbridge** Dan Carroll atrowbridge@downeybrand.com dcarroll@downeybrand.com Downey, Brand, Seymour & Rohwer **Duke Energy North America** Dynegy Phil Stohr **Melanie Gillette** Joseph M. Paul pstohr@downeybrand.com mlgillette@duke-energy.com jmpa@dynegy.com **Gas Purchasing General Services Administration** Goodin, MacBride, Squeri, Ritchie & Day, LLP BC Gas Utility Ltd. **Facilities Management (9PM-FT)** J. H. Patrick 16705 Fraser Highway 450 Golden Gate Ave. hpatrick@gmssr.com Surrey, British Columbia, V3S 2X7 San Francisco, CA 94102-3611 Goodin, MacBride, Squeri, Ritchie & Jacqueline Greig Hanna & Morton Day, LLP jnm@cpuc.ca.gov Norman A. Pedersen, Esq. James D. Squeri npedersen@hanmor.com jsqueri@gmssr.com **David Huard Imperial Irrigation District** JBS Energy dhuard@manatt.com K. S. Noller Jeff Nahigian P. O. Box 937 jeff@jbsenergy.com Imperial, CA 92251 Jeffer, Mangels, Butler & Marmaro **Kern River Gas Transmission Company LADWP** 2 Embarcaero Center, 5th Floor Janie Nielsen Nevenka Ubavich San Francisco, CA 94111 Janie.Nielsen@KernRiverGas.com nevenka.ubavich@ladwp.com **LADWP** Law Offices of Diane I. Fellman Law Offices of William H. Booth Diane Fellman William Booth Randy Howard P. O. Box 51111, Rm. 956 difellman@fellmanlaw.com wbooth@booth-law.com Los Angeles, CA 90051-0100 Luce, Forward, Hamilton & Scripps MRW & Associates Matthew Brady & Associates John Leslie Robert Weisenmiller Matthew Brady jleslie@luce.com mrw@mrwassoc.com matt@bradylawus.com

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#### ATTACHMENT B Advice No. 3459

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 38784-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 38776-G
Revised 38785-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 38777-G
Revised 38786-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 38619-G
Revised 38787-G	TABLE OF CONTENTS	Revised 38782-G
Revised 38788-G	TABLE OF CONTENTS	Revised 38783-G

Revised CANCELING Revised CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

38784-G 38776-G

PRELIMINARY STATEMENT PART II **SUMMARY OF RATES AND CHARGES** 

Sheet 6

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(Continued)

#### **IMBALANCE SERVICE**

#### Standby Procurement Charge

Core Retail Standby (SP-CR)		D
November, 20041	10.226¢	
December, 20041	06.664¢	
January, 2005		T
Noncore Retail Standby (SP-NR)		D
November, 20041	10.291¢	
December, 20041	06.729¢	
January, 2005		T
Wholesale Standby (SP-W)		D
November, 20041	10.291¢	
December, 20041		
January, 2005		T
Buy-Back Rate		
Core and Noncore Retail (BR-R)		D
November, 2004	36.760¢	
December, 2004		
January, 2005		R
Wholesale (BR-W)		D
November, 2004	36.582¢	
December, 2004	•	
January, 2005		R
	- · - r	

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\*To be determined (TBD). Pursuant to Resolution G-3316, the January 2005 Standby

Procurement Charge will be filed by separate advice letter at least one day prior to February

(TO BE INSERTED BY UTILITY) 3459 ADVICE LETTER NO. 89-11-060 & 90-09-089, DECISION NO. et al. 6H7

23, 2005.

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jan 31, 2005 DATE FILED Jan 31, 2005 **EFFECTIVE** RESOLUTION NO.

LOS ANGELES, CALIFORNIA CANCELING Revis

Revised Revised CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

38785-G 38777-G

## Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

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(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  $0.266\phi$  per therm for noncore retail service and all wholesale service, and  $0.201\phi$  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)	
November, 2004	110.226¢
December, 2004	106.664¢
January, 2005	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
November, 2004	110.291¢
December, 2004	106.729¢
January, 2005	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
November, 2004	110.291¢
December, 2004	106.729¢
January, 2005	TBD*

<sup>\*</sup>To be determined (TBD). Pursuant to Resolution G-3316, the January 2005 Standby Procurement Charge will be filed by separate advice letter at least one day prior to February 23, 2005.

#### 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) ADVICE LETTER NO. 3459 DECISION NO. 89-11-060 & 90-09-089, et al.

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & Jan \ 31, \ 2005 \\ \text{EFFECTIVE} & Jan \ 31, \ 2005 \\ \text{RESOLUTION NO.} \end{array}$ 

Revised Revised CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

38786-G 38619-G

## Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 3

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(Continued)

**RATES** (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm	
November, 2004	36.760¢
December, 2004	31.784¢
January, 2005	29.967¢
•	

Wholesale Service:

BR-W Buy-Back Rate, per therm	
November, 2004	36.582¢
December, 2004	31.630¢
January, 2005	29.821¢

If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, Utility will provide CPUC the necessary work papers for such cost. Such documentation will be provided under confidentiality pursuant to General Order 66-C and Section 583 of the Public Utilities Code.

#### Daily Balancing Standby Rates

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 standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the five-day 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.

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.

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.

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3459 DECISION NO. 89-11-060 & 90-09-089, et al.

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LOS ANGELES, CALIFORNIA CANCELING Revised

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GT-SD GT-PS	Intrastate Transmission Service
GW-LB	Wholesale Natural Gas Service
GW-SD	Wholesale Natural Gas Service
<b>GW-SWG</b>	Wholesale Natural Gas Service
<b>GW-VRN</b>	Wholesale Natural Gas Service
	37959-G,37960-G
G-IMB	Transportation Imbalance Service
	38781-G,36313-G,33498-G
G-ITC	Interconnect Access Service
G-BSS	Basic Storage Service
	37961-G,37962-G,37963-G,37964-G
G-AUC	Auction Storage Service
	32712-G,32713-G,36314-G,32715-G
G-LTS	Long-Term Storage Service
	32720-G,32721-G,37965-G,37966-G
G-TBS	Transaction Based Storage Service
	31929-G,36315-G,27378-G
G-CBS	UDC Consolidated Billing Service
G-PPPS	Tax Surcharge to Fund Public Purpose Programs
G-SRF	Surcharge to Fund Public Utilities Commission
	Utilities Reimbursement Account
G-MHPS	Surcharge to Fund Public Utilities Commission
	Master Metered Mobile Home Park Gas Safety
	Inspection and Enforcement Program
G-MSUR	Transported Gas Municipal Surcharge
GIT	Interruptible Interutility Transportation
GLT	Long-Term Transportation of Customer-Owned
	Natural Gas
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
G-PRK	Hub Parking
G-WHL	Hub Wheeling
G-FIG	Fiber Optic Cable in Gas Pipelines
	37009-G,37010-G37011-G,37012-G,37013-G

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3459 DECISION NO. 89-11-060 & 90-09-089, et al. 3H7

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jan 31, 2005 DATE FILED Jan 31, 2005 **EFFECTIVE** RESOLUTION NO.

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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.

GENERAL Cal. P.U.C. Sheet No.	<u>-</u>
Title Page	5-G 5-G 7-G 8-G 1-G
PRELIMINARY STATEMENT	
Part I General Service Information	-G
Part II Summary of Rates and Charges 38656-G,38657-G,38658-G,38535-G,38659-G,38784 32491-G,32492-G,38517-G,38626-G,38627-G,38539-G,38540	
Part III Cost Allocation and Revenue Requirement 27024-G,37920-G,27026-G,27027-G,38541	-G
Part IV Income Tax Component of Contributions and Advances	-G
Part V Description of Regulatory Accounts-Balancing	
Part VI Description of Regulatory Accounts-Memorandum	-G
Part VII Description of Regulatory Accounts-Tracking	
Part VIII Gas Cost Incentive Mechanism (GCIM)	
Part IX Hazardous Substances Mechanism (HSM)	-G
Part X Global Settlement	-G

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3459 DECISION NO. 89-11-060~&~90-09-089, et al.

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Lee Schavrien
Vice President

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#### **ATTACHMENT C**

#### **ADVICE NO. 3459**

# RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3448 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE JANUARY 1, 2005

#### **Adjusted Core Procurement Charge:**

**Retail G-CPA**: **59.933¢** per therm (WACOG: 58.757¢ + Franchise and Uncollectibles: 1.176¢ or [2.0012% \* 58.757¢])

Wholesale G-CPA: 59.641¢ per therm (WACOG: 58.757¢ + Franchise: 0.884¢ or [1.5051% \* 58.757¢])

#### **G-IMB Buy-Back Rates:**

**BR-R** = 50% of Retail G-CPA: 50% \* 59.933 cents/therm = **29.967** cents/therm

**BR-W** = 50% of Wholesale G-CPA: 50% \* 59.641 cents/therm = **29.821** cents/therm