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July 25, 2005

Advice No. 3517
U-904-G

Public Utilities Commission of the State of California

Subject: Submission of Long-Term Storage Contracts

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) the attached long-term storage contracts SoCalGas has executed with the following customers:

Plasticolor Mold, Inc (renewed)
Valmont Industries dba Calwest Galvanizing Corporation (renewed)

A customer having a previous storage contact that has expired and has signed a new 3 year long-term storage contract with SoCalGas is indicated as a "renewed" contract.

This filing is made in compliance with Section 9.4 and Ordering Paragraph 14 of Decision No. (D.) 93-02-013, dated February 3, 1993 in A.92-03-038/1.87-03-036.

Information

By this filing, SoCalGas submits two long-term storage service contracts (Contracts) incorporated herein as Attachment C. As demonstrated in this filing, the Contracts meet the storage service guidelines adopted by the Commission in D.93-02-013. The Contracts are fixed-price with a provision for escalation of the Contract's reservation charges. The Contracts do not contain any special features other than it is fixed-price with a provision for escalation of the Contract's reservation charges.

Accordingly, SoCalGas submits that the Contracts should be considered approved by the Commission under the provisions of D.93-02-013 and made effective seven days from the date of this filing (D.93-02-013 at page 34, Resolution No. G-3064 at Ordering Paragraph 5). The provisions of the Contracts are summarized as follows:

Contract Term

The Contracts shall be in effect for a term of three years. Accordingly, the Contracts meet the long-term contract duration guidelines set forth in Finding of Fact No. 44 of D.93-02-013.

Contract Services

All of the annual inventory, firm injection, and firm withdrawal services subscribed under the Contracts shall be provided by SoCalGas through existing storage facilities. The specific amounts of storage inventory, injection, and withdrawal services elected by the customer is summarized in Attachment B. The customers have not elected the Drive Gas option under SoCalGas' long-term storage program.

Reservation Charges

In accordance with the provisions of Finding of Fact No. 45 of D.93-02-013, any over- or under-collections resulting from fixed-price contracts shall be the responsibility of SoCalGas' shareholders. The reservation charges under the Contract are initially set equal to the current rates in SoCalGas' Schedule No. G-LTS. The reservation charges are as follows:

Annual Inventory = \$0.214 per decatherm

Firm Withdrawal = \$11.584 per decatherm per day

Firm Injection = \$0.09425 per decatherm per day
(every day of the month reserved)

Beginning on April 1, 2006, and for each April 1 thereafter, the injection, withdrawal, and inventory reservation charges for the Contract Year shall be adjusted based on the percentage difference between the Consumer Price Index - All Urban Consumers (CPI) for September, as published by the Bureau of Labor Statistics in December of the calendar year immediately preceding such April, and the September CPI published in December for the previous calendar year.

Effective Date of Contract

As demonstrated in this filing, the Contracts filed hereunder meet the guidelines for storage service as authorized by the Commission in D.93-02-013. Accordingly, pursuant to Section 9.4 of D.93-02-013, the Contracts should be considered approved and made effective on and after August 1, 2005, which is at least seven days from the date of this filing.

This advice letter will not increase any rate or charge, conflict with any rate schedules or rules, nor cause the withdrawal of any service.

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:

CPUC Energy Division
Attn: Tariff Unit
505 Van Ness Avenue
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 to Honesto Gatchalian (jnj@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

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A. Copies of the Agreement referenced herein have been provided to the Commission Staff. Other parties may request a copy of this Agreement by contacting (213) 244-4298.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY/ U 904 G**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: snewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: 3517

Subject of AL: Submission of Long Term Storage Contracts

Keywords (choose from CPUC listing): Contracts, Storage, Non-Core

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Decision No. 93-02-013

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Resolution Required? Yes No

Requested effective date: 8/1/05

No. of tariff sheets: None

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed¹: None

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Southern California Gas Company
Attention: Sid Newsom
555 West Fifth Street, ML GT14D6
Los Angeles, CA 90013-4957
snewsom@semprautilities.com**

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3517

(See Attached Service List)

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ATTACHMENT B

**Advice No. 3517
SUMMARY OF STORAGE SERVICE**

Plasticolor Mold, Inc.

<u>Inventory</u> <u>(dth)</u>	<u>Withdrawal</u> <u>(dth/day)</u>	<u>Injection</u> <u>(dth/day)</u>	<u>(Month)</u>
990	180	0	na

Valmont Industries dba Calwest Galvanizing Corp.

<u>Inventory</u> <u>(dth)</u>	<u>Withdrawal</u> <u>(dth/day)</u>	<u>Injection</u> <u>(dth/day)</u>	<u>(Month)</u>
946	158	0	na

ATTACHMENT C

Advice No. 3517

LONG-TERM STORAGE CONTRACT

Plasticolor Mold, Inc.

Valmont Industries dba Calwest Galvanizing Corp.