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Director
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July 29, 2005

Advice No. 3518 (U 904 G)

Public Utilities Commission of the State of California

Subject: July 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 July 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 July 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 July 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 July 2005 Standby Procurement Charges will be filed by separate advice letter at least one day prior to August 25, 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:

CPUC Energy Division Attention: 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 (<u>jir@cpuc.ca.gov</u>) and to Honesto Gatchalian (<u>jnj@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: <a href="mailto:snewsom@SempraUtilities.com">snewsom@SempraUtilities.com</a>

#### **Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that the tariff sheets filed herein be made effective July 31, 2005 to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3511, dated June 30, 2005.

#### **Notice**

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

## 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:	Contact Person: Nena Maralit			
$\square$ ELC $\boxtimes$ GAS	Phone #: (213) 244-2822			
☐ PLC ☐ HEAT ☐ WATER	E-mail: nmaralit@semprautilities.com			
EXPLANATION OF UTILITY T				
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water			
Advice Letter (AL) #: 3518	<u> </u>			
Subject of AL: Revised Retail and W	holesale Buy-Back I	Rates for July 2005		
	<b>.</b>	•		
Keywords (choose from CPUC listing	(): <u>Preliminary Stat</u>	ement, Core		
	,			
AL filing type: ⊠ Monthly □ Quarte	erly 🗌 Annual 🔲 C	One-Time 🗌 Other		
If AL filed in compliance with a Com	mission order, indi	cate relevant Decision/Resolution #:		
D89-11-060 & D90-09-089, et al.				
Does AL replace a withdrawn or reje	cted AL? If so, ider	ntify the prior AL		
-		ithdrawn or rejected AL¹:		
	•	•		
Resolution Required?   Yes   No				
Requested effective date: 7/31/05 No. of tariff sheets: 5				
Estimated system annual revenue e	ffect: (%): <u>N/A</u>			
Estimated system average rate effect	t (%): 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: Table of Contents, Preliminary Statement Part II, Schedule G-IMB				
Service affected and changes proposed <sup>1</sup> :				
3 1 1	-			
Pending advice letters that revise th	e same tariff sheets	:: AL3510. AL3516		
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		outhern California Gas Company		
Attention: Tariff Unit		ttention: Sid Newsom		
505 Van Ness Avenue San Francisco, CA 94102		55 West Fifth Street, ML GT14D6 os Angeles, CA 90013-4957		
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov		newsom@semprautilities.com		

 $<sup>^{\</sup>rm 1}$  Discuss in AL if more space is needed.

#### **ATTACHMENT A**

#### Advice No. 3518

(See Attached Service List)

**Aglet Consumer Alliance** James Weil

jweil@aglet.org

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Marianne Jones

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**Beta Consulting** John Burkholder

burkee@cts.com

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

Energy Rate Design & Econ. 505 Van Ness Ave., Rm. 4002 San Francisco, CA 94102

**CPUC - ORA Galen Dunham** gsd@cpuc.ca.gov **CPUC - ORA** Jacqueline Greig jnm@cpuc.ca.gov

**CPUC - ORA** R. Mark Pocta rmp@cpuc.ca.gov

**CPUC** 

**California Energy Market** 

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luluw@newsdata.com

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aclark@calpine.com

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Los Angeles, CA 90063

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matt@bradylawus.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** Douglass & Liddell Douglass & Liddell **Celia Torres** Dan Douglass Donald C. Liddell celia.torres@dgs.ca.gov douglass@energyattorney.com liddell@energyattorney.com Downey, Brand, Seymour & Rohwer Downey, Brand, Seymour & Rohwer **Duke Energy North America Ann Trowbridge** Dan Carroll **Melanie Gillette** atrowbridge@downeybrand.com dcarroll@downeybrand.com mlgillette@duke-energy.com **Gas Purchasing General Services Administration** Dynegy Joseph M. Paul BC Gas Utility Ltd. Facilities Management (9PM-FT) 450 Golden Gate Ave. jmpa@dynegy.com 16705 Fraser Highway San Francisco, CA 94102-3611 Surrey, British Columbia, V3S 2X7 Goodin, MacBride, Squeri, Ritchie & Goodin, MacBride, Squeri, Ritchie & Hanna & Morton Day, LLP Day, LLP Norman A. Pedersen, Esq. J. H. Patrick James D. Squeri npedersen@hanmor.com hpatrick@gmssr.com isqueri@gmssr.com **Imperial Irrigation District** Jeffer, Mangels, Butler & Marmaro JBS Energy K. S. Noller Jeff Nahigian 2 Embarcaero Center, 5th Floor P. O. Box 937 jeff@jbsenergy.com San Francisco, CA 94111 Imperial, CA 92251 **LADWP LADWP Kern River Gas Transmission Company** Janie Nielsen Nevenka Ubavich Randy Howard Janie.Nielsen@KernRiverGas.com nevenka.ubavich@ladwp.com P. O. Box 51111, Rm. 956 Los Angeles, CA 90051-0100 Law Offices of Diane I. Fellman Law Offices of William H. Booth Luce, Forward, Hamilton & Scripps Diane Fellman William Booth John Leslie diane fellman@fpl.com wbooth@booth-law.com ileslie@luce.com MRW & Associates Manatt, Phelps & Phillips, LLP **March Joint Powers Authority David Huard Robert Weisenmiller Lori Stone** mrw@mrwassoc.com dhuard@manatt.com PO Box 7480, Moreno Valley, CA 92552 PG&E **Matthew Brady & Associates** National Utility Service, Inc. **Anita Smith** Matthew Brady Jim Boyle

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#### ATTACHMENT B Advice No. 3518

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 39436-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 39432-G
Revised 39437-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 39433-G
Revised 39438-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 39363-G
Revised 39439-G	TABLE OF CONTENTS	Revised 39434-G
Revised 39440-G	TABLE OF CONTENTS	Revised 39435-G

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

39436-G 39432-G

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Sheet 6

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

(Continued)

WHOLESTILL BLK VICE (CO.	WHOLESALE	<u>SERVICE</u>	(Continued)
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Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)	
Transmission Charge	2.438¢
ITCS-VRN	0.305c

#### PROCUREMENT CHARGE

Schedule	G-CP
Schedule	G-CP

Non-Residential Core Procurement Charge, per therm	
Non-Residential Cross-Over Rate, per therm	66.263¢
Residential Core Procurement Charge, per therm	66.263¢
Residential Cross-Over Rate, per therm	66.263¢
Adjusted Core Procurement Charge, per therm	66.062¢

#### IMBALANCE SERVICE

#### Standby Procurement Charge

Core Retail Standby (	(SP-CR)
Mov. 2005	

May, 2003	94./U1¢
June, 2005	109.589¢
July, 2005	•
Noncore Retail Standby (SP-NR)	
May, 2005	94.766¢
I 2005	100 6514

June, 2005	109.654¢
July, 2005	TBD*
Wholesale Standby (SP-W)	

May, 2005	94.766¢
June, 2005	
July, 2005	TBD*

#### **Buy-Back Rate**

Core and N	Voncore	Retail	(BR-R)

May, 2005	34.388¢
June, 2005	
July, 2005	33.031¢
Wholesale (BR-W)	
May, 2005	34.273¢
June, 2005	29.344¢
July, 2005	32.921¢

<sup>\*</sup> To be determined (TBD). Pursuant to Resolution G-3316, the July Standby Procurement Charge will be filed by separate advice letter at least one day prior to August 25, 2005.

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3518 DECISION NO. 89-11-060 & 90-09-089, 6H8 et al.

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

Revised LOS ANGELES, CALIFORNIA CANCELING

Revised

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

39437-G 39433-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¢ 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)	
May, 2005	94.701¢
June, 2005	109.589¢
July, 2005	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
May, 2005	94.766¢
June, 2005	109.654¢
July, 2005	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
May, 2005	94.766¢
June, 2005	109.654¢
July, 2005	TBD*

<sup>\*</sup> To be determined (TBD). Pursuant to Resolution G-3316, the July Standby Procurement Charge will be filed by separate advice letter at least one day prior to August 25, 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.

(Continued)

(TO BE INSERTED BY UTILITY) 3518 ADVICE LETTER NO. 89-11-060 & 90-09-089. DECISION NO. et al. 2H8

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

Revised LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

39438-G 39363-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	
May, 2005	34.388¢
June, 2005	
July, 2005	33.031¢

Wholesale Service:

BR-W Buy-Back Rate, per therm	
May, 2005	34.273¢
June, 2005	29.344¢
* 1	22.021

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.

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3518 DECISION NO. 89-11-060 & 90-09-089. et al.

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

LOS ANGELES, CALIFORNIA CANCELING Revised

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	ued)

GT-SD	Intrastate Transmission Service
GT-PS	Peaking Service
	39115-G,39116-G,35955-G,35956-G,37942-G
GW-LB	Wholesale Natural Gas Service
	38063-G.38064-G
GW-SD	Wholesale Natural Gas Service
	37951-G
<b>GW-SWG</b>	Wholesale Natural Gas Service
GW-VRN	Wholesale Natural Gas Service
	37959-G,37960-G
G-IMB	Transportation Imbalance Service
	38997-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
0.110	37009-G,37010-G37011-G,37012-G,37013-G
	37007 0,37010 037011 0,37012-0,37013-0

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3518 DECISION NO. 89-11-060 & 90-09-089, et al. 3H8

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jul 29, 2005 DATE FILED Jul 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.

<u>GENERAL</u>	Cal. P.U.C. Sheet No.
Title Page	
PRELIMINARY STATEMENT	
Part I General Service Information	G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges 39397-G,39398-G,39399-G 32491-G,32492-G,38848-G,39370-G	
Part III Cost Allocation and Revenue Requirement 27024-G,37920-C	G,27026-G,27027-G,39060-G
Part IV Income Tax Component of Contributions and Advances	36614-G,24354-G
Part V Description of Regulatory Accounts-Balancing	G,36084-G,36085-G,36086-G
Part VI Description of Regulatory Accounts-Memorandum	G,38007-G,38008-G,38009-G
Part VII Description of Regulatory Accounts-Tracking	38017-G,38018-G,38019-G G,38021-G,38022-G,38023-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	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	G,32531-G,32532-G,32533-G

(TO BE INSERTED BY UTILITY) 3518 ADVICE LETTER NO.

DECISION NO. 89-11-060 & 90-09-089, et al.

1H8

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(Continued)

#### **ATTACHMENT C**

#### **ADVICE NO. 3518**

# RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3511 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE JULY 1, 2005

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

**Retail G-CPA**: **66.062¢** per therm (WACOG: 64.818¢ + Franchise and Uncollectibles: 1.244¢ or [1.9187% \* 64.818¢])

Wholesale G-CPA: 65.841¢ per therm (WACOG: 64.818¢ + Franchise: 1.023¢ or [1.5779% \* 64.818¢])

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

**BR-R** = 50% of Retail G-CPA: 50% \* 66.062 cents/therm = **33.031** cents/therm

**BR-W** = 50% of Wholesale G-CPA: 50% \* 65.841 cents/therm = **32.921** cents/therm