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January 26, 2006

Advice No. 3584
(U 904 G)

Public Utilities Commission of the State of California

Subject: Daily Balancing Standby Rates for January 19-25, 2006

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 January 19, 2006 through January 25, 2006 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 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:

1. 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 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.
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 January 1-25, 2006 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:

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 (jjr@cpuc.ca.gov) and to Honesto Gatchalian (inj@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

Effective Date

As authorized in Schedule No. G-IMB, the tariff sheets filed herein are to be effective for service on and after January 26, 2006, which is the date filed, and are to be applicable to the period of January 19, 2006 through January 25, 2006.

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:

ELC GAS
 PLC HEAT WATER

Contact Person: Donna Shepherd

Phone #: (213) 244-3837

E-mail: dmshepherd@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3584

Subject of AL: Daily Balancing Standby Rates for January 19-25, 2006

Keywords (choose from CPUC listing): Compliance, Non-Core, Procurement

AL filing type: Monthly Quarterly Annual One-Time Other Weekly

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

D.97-11-070

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: 1/26/06 No. of tariff sheets: 4

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: Schedule G-IMB, and Tables of Contents

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: 3568, 3576, 3579, 3580

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. 3584

(See Attached Service List)

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ATTACHMENT B
Advice No. 3584

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|--|-------------------------------------|
| Revised 40145-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 4 | Revised 40134-G |
| Revised 40146-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5 | Revised 40135-G |
| Revised 40147-G | TABLE OF CONTENTS | Revised 40143-G |
| Revised 40148-G | TABLE OF CONTENTS | Revised 40144-G |

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 4

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm

| January 2006 Day | Core Retail DB-CR | Noncore Retail DB-NR | Wholesale DB-W |
|---------------------|----------------------|-------------------------|-------------------|
| 1 | \$1.31676 | \$1.31741 | \$1.31301 |
| 2 | \$1.31676 | \$1.31741 | \$1.31301 |
| 3 | \$1.22503 | \$1.22568 | \$1.22159 |
| 4 | \$1.29383 | \$1.29448 | \$1.29016 |
| 5 | \$1.26631 | \$1.26696 | \$1.26273 |
| Period 1 High | \$1.31676 | \$1.31741 | \$1.31301 |
| 6 | \$1.25102 | \$1.25167 | \$1.24750 |
| 7 | \$1.25102 | \$1.25167 | \$1.24750 |
| 8 | \$1.25102 | \$1.25167 | \$1.24750 |
| 9 | \$1.22198 | \$1.22263 | \$1.21855 |
| 10 | \$1.22198 | \$1.22263 | \$1.21855 |
| Period 2 High | \$1.25102 | \$1.25167 | \$1.24750 |
| 11 | \$1.22045 | \$1.22110 | \$1.21702 |
| 12 | \$1.23574 | \$1.23639 | \$1.23226 |
| 13 | \$1.26784 | \$1.26849 | \$1.26426 |
| 14 | \$1.26784 | \$1.26849 | \$1.26426 |
| 15 | \$1.26784 | \$1.26849 | \$1.26426 |
| Period 3 High | \$1.26784 | \$1.26849 | \$1.26426 |
| 16 | \$1.26784 | \$1.26849 | \$1.26426 |
| 17 | \$1.22045 | \$1.22110 | \$1.21702 |
| 18 | \$1.24949 | \$1.25014 | \$1.24597 |
| 19 | \$1.21739 | \$1.21804 | \$1.21398 |
| 20 | \$1.13331 | \$1.13396 | \$1.13017 |
| Period 4 High | \$1.26784 | \$1.26849 | \$1.26426 |

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3584
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 26, 2006
 EFFECTIVE Jan 26, 2006
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

| January 2006 Day | Core Retail DB-CR | Noncore Retail DB-NR | Wholesale DB-W |
|---------------------|----------------------|-------------------------|-------------------|
| 21 | \$1.13331 | \$1.13396 | \$1.13017 |
| 22 | \$1.13331 | \$1.13396 | \$1.13017 |
| 23 | \$1.21280 | \$1.21345 | \$1.20941 |
| 24 | \$1.15930 | \$1.15995 | \$1.15608 |
| 25 | \$1.13789 | \$1.13854 | \$1.13475 |
| Period 5 High | \$1.21280 | \$1.21345 | \$1.20941 |
| 26 | N/A | N/A | N/A |
| 27 | N/A | N/A | N/A |
| 28 | N/A | N/A | N/A |
| 29 | N/A | N/A | N/A |
| 30 | N/A | N/A | N/A |
| 31 | N/A | N/A | N/A |
| Period 6 High | N/A | N/A | N/A |

Note: For the days of January 1-25, 2006 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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3584
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 26, 2006
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| GT-SD | Intrastate Transmission Service | 40036-G,30593-G,30594-G,36311-G |
| GT-PS | Peaking Service | 40037-G,40038-G,40039-G,40040-G 40041-G,40042-G,35955-G,35956-G,37942-G |
| GW-LB | Wholesale Natural Gas Service | 40043-G,38061-G,38062-G 38063-G,38064-G |
| GW-SD | Wholesale Natural Gas Service | 40044-G,37949-G,37950-G 37951-G |
| GW-SWG | Wholesale Natural Gas Service | 40045-G,37953-G,37954-G,37955-G |
| GW-VRN | Wholesale Natural Gas Service | 40046-G,37957-G,37958-G 37959-G,37960-G |
| G-IMB | Transportation Imbalance Service | 36312-G,40142-G,40060-G,40145-G 40146-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 | Public Purpose Programs Surcharge | 39791-G,39517-G,39518-G |
| G-SRF | Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account | 38518-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 | 38761-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 | 40047-G |
| G-PRK | Hub Parking | 40048-G |
| G-WHL | Hub Wheeling | 40049-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 |

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(TO BE INSERTED BY UTILITY)
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Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 26, 2006
 EFFECTIVE Jan 26, 2006
 RESOLUTION NO. _____

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 | 40148-G,40054-G |
| Table of Contents--Service Area Maps and Descriptions | 28516-G |
| Table of Contents--Rate Schedules | 40124-G,40125-G,40147-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 | 39475-G,39865-G |
| Table of Contents--Sample Forms | 39826-G,39748-G,39142-G,39866-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 | 40106-G,40107-G,40108-G,39982-G,39983-G,40141-G 32491-G,32492-G,39790-G,40067-G,40068-G,39987-G,39988-G |
| Part III Cost Allocation and Revenue Requirement | 27024-G,37920-G,27026-G,27027-G,39989-G |
| Part IV Income Tax Component of Contributions and Advances | 36614-G,24354-G |
| Part V Description of Regulatory Accounts-Balancing | 38681-G,34820-G,39670-G 39671-G,34822-G,39506-G,39507-G,39508-G,39509-G,39510-G 39672-G,39673-G,35874-G,38684-G,38685-G,38686-G,38687-G,39860-G,39861-G,39513-G |
| Part VI Description of Regulatory Accounts-Memorandum | 39472-G,38688-G,38689-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,39473-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) | 39896-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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3584
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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**ATTACHMENT C
ADVICE NO. 3584
RATE CALCULATION WORKPAPER
DAILY BALANCING STANDBY RATE FILING
EFFECTIVE JANUARY 1-25, 2006**

Daily Balancing Standby Rate = 150% x (NGI's Price Index + F&U Charge) + Brokerage Fee

F&U Charge is 1.9187% of NGI's Price Index for Retail and 1.5779% for Wholesale

Brokerage Fee is 0.201 cents for Core Retail; 0.266 cents for Noncore Retail/Wholesale

(All rates are per therm)

| <u>January Day</u> | <u>NGI's Price Index</u> | <u>Daily Balancing Standby Rates</u> | | |
|------------------------|------------------------------|--------------------------------------|-----------------------|------------------|
| | | <u>Core Retail</u> | <u>Noncore Retail</u> | <u>Wholesale</u> |
| 1 | \$0.86000 | \$1.31676 | \$1.31741 | \$1.31301 |
| 2 | \$0.86000 | \$1.31676 | \$1.31741 | \$1.31301 |
| 3 | \$0.80000 | \$1.22503 | \$1.22568 | \$1.22159 |
| 4 | \$0.84500 | \$1.29383 | \$1.29448 | \$1.29016 |
| 5 | \$0.82700 | \$1.26631 | \$1.26696 | \$1.26273 |
| 6 | \$0.81700 | \$1.25102 | \$1.25167 | \$1.24750 |
| 7 | \$0.81700 | \$1.25102 | \$1.25167 | \$1.24750 |
| 8 | \$0.81700 | \$1.25102 | \$1.25167 | \$1.24750 |
| 9 | \$0.79800 | \$1.22198 | \$1.22263 | \$1.21855 |
| 10 | \$0.79800 | \$1.22198 | \$1.22263 | \$1.21855 |
| 11 | \$0.79700 | \$1.22045 | \$1.22110 | \$1.21702 |
| 12 | \$0.80700 | \$1.23574 | \$1.23639 | \$1.23226 |
| 13 | \$0.82800 | \$1.26784 | \$1.26849 | \$1.26426 |
| 14 | \$0.82800 | \$1.26784 | \$1.26849 | \$1.26426 |
| 15 | \$0.82800 | \$1.26784 | \$1.26849 | \$1.26426 |
| 16 | \$0.82800 | \$1.26784 | \$1.26849 | \$1.26426 |
| 17 | \$0.79700 | \$1.22045 | \$1.22110 | \$1.21702 |
| 18 | \$0.81600 | \$1.24949 | \$1.25014 | \$1.24597 |
| 19 | \$0.79500 | \$1.21739 | \$1.21804 | \$1.21398 |
| 20 | \$0.74000 | \$1.13331 | \$1.13396 | \$1.13017 |
| 21 | \$0.74000 | \$1.13331 | \$1.13396 | \$1.13017 |
| 22 | \$0.74000 | \$1.13331 | \$1.13396 | \$1.13017 |
| 23 | \$0.79200 | \$1.21280 | \$1.21345 | \$1.20941 |
| 24 | \$0.75700 | \$1.15930 | \$1.15995 | \$1.15608 |
| 25 | \$0.74300 | \$1.13789 | \$1.13854 | \$1.13475 |