



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

8330 Century Park Ct.
San Diego, CA 92123-1548
Tel: 858.654.1773
Fax 858.654.1788
srahon@SempraUtilities.com

February 28, 2006

Advice No. 3601
(U 904 G)

Public Utilities Commission of the State of California

Subject: February 2006 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 February 2006.

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 February, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for February 2006 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 February 2006 Standby Procurement Charges will be filed by separate advice letter at least one day prior to March 25, 2006.

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 (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

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 February 28, 2006 to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3587, dated January 31, 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) #: 3601

Subject of AL: Revised Retail and Wholesale Buy-Back Rates for February 2006

Keywords (choose from CPUC listing): Preliminary Statement, Core

AL filing type: Monthly Quarterly Annual One-Time Other

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

D89-11-060 & D90-09-089, et al.

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: 2/28/06 No. of tariff sheets: 5

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: Table of Contents, Preliminary Statement Part II, Schedule G-IMB

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: AL 3586, AL 3587

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. 3601

(See Attached Service List)

Aglet Consumer Alliance
James Weil
jweil@aglet.org

Alcantar & Kahl
Elizabeth Westby
egw@a-klaw.com

Alcantar & Kahl
Kari Harteloo
klc@a-klaw.com

BP Amoco, Reg. Affairs
Marianne Jones
501 West Lake Park Blvd.
Houston, TX 77079

Barkovich & Yap
Catherine E. Yap
ceyap@earthlink.net

Beta Consulting
John Burkholder
burkee@cts.com

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

CPUC
Pearlie Sabino
pzs@cpuc.ca.gov

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

CPUC - ORA
Galen Dunham
gsd@cpuc.ca.gov

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

CPUC - ORA
Jacqueline Greig
jnm@cpuc.ca.gov

California Energy Market
Lulu Weinzimer
luluw@newsdata.com

Calpine Corp
Avis Clark
aclark@calpine.com

City of Anaheim
Ben Nakayama
Public Utilities Dept.
P. O. Box 3222
Anaheim, CA 92803

City of Azusa
Light & Power Dept.
215 E. Foothill Blvd.
Azusa, CA 91702

City of Banning
Paul Toor
P. O. Box 998
Banning, CA 92220

City of Burbank
Fred Fletcher/Ronald Davis
164 West Magnolia Blvd., Box 631
Burbank, CA 91503-0631

City of Colton
Thomas K. Clarke
650 N. La Cadena Drive
Colton, CA 92324

City of Long Beach, Gas Dept.
Chris Garner
2400 East Spring Street
Long Beach, CA 90806-2385

City of Los Angeles
City Attorney
200 North Main Street, 800
Los Angeles, CA 90012

City of Pasadena - Water and Power
Dept.
Robert Sherick
rsherick@cityofpasadena.net

City of Riverside
Joanne Snowden
jsnowden@riversideca.gov

City of Vernon
Daniel Garcia
dgarcia@ci.vernon.ca.us

Commerce Energy
Gary Morrow
GMorrow@commerceenergy.com

Commerce Energy
Glenn Kinser
gkinser@commerceenergy.com

Commerce Energy
Pat Darish
pdarish@commerceenergy.com

Commerce Energy
Lynelle Lund
llund@commerceenergy.com

Commerce Energy
Tony Cusati
TCusati@commerceenergy.com

Commerce Energy
Rommel Aganon
RAganon@commerceenergy.com

County of Los Angeles
 Stephen Crouch
 1100 N. Eastern Ave., Room 300
 Los Angeles, CA 90063

Crossborder Energy
 Tom Beach
 tomb@crossborderenergy.com

Culver City Utilities
 Heustace Lewis
 Heustace.Lewis@culvercity.org

Davis Wright Tremaine, LLP
 Christopher Hilen
 chrishilen@dwt.com

Davis Wright Tremaine, LLP
 Edward W. O'Neill
 One Embarcadero Center, #600
 San Francisco, CA 94111-3834

Davis, Wright, Tremaine
 Judy Pau
 judypau@dwt.com

Dept. of General Services
 Celia Torres
 celia.torres@dgs.ca.gov

Douglass & Liddell
 Dan Douglass
 douglass@energyattorney.com

Douglass & Liddell
 Donald C. Liddell
 liddell@energyattorney.com

Downey, Brand, Seymour & Rohwer
 Ann Trowbridge
 atrowbridge@downeybrand.com

Downey, Brand, Seymour & Rohwer
 Dan Carroll
 dcarroll@downeybrand.com

Duke Energy North America
 Melanie Gillette
 mlgillette@duke-energy.com

Dynegy
 Joseph M. Paul
 jmpa@dynegy.com

Gas Purchasing
 BC Gas Utility Ltd.
 16705 Fraser Highway
 Surrey, British Columbia, V3S 2X7

General Services Administration
 Facilities Management (9PM-FT)
 450 Golden Gate Ave.
 San Francisco, CA 94102-3611

Goodin, MacBride, Squeri, Ritchie &
 Day, LLP
 J. H. Patrick
 hpatrick@gmssr.com

Goodin, MacBride, Squeri, Ritchie &
 Day, LLP
 James D. Squeri
 jsqueri@gmssr.com

Hanna & Morton
 Norman A. Pedersen, Esq.
 npedersen@hanmor.com

Imperial Irrigation District
 K. S. Noller
 P. O. Box 937
 Imperial, CA 92251

JBS Energy
 Jeff Nahigian
 jeff@jbsenergy.com

Jeffer, Mangels, Butler & Marmaro
 2 Embarcadero Center, 5th Floor
 San Francisco, CA 94111

Kern River Gas Transmission Company
 Janie Nielsen
 Janie.Nielsen@KernRiverGas.com

LADWP
 Nevenka Ubavich
 nevenka.ubavich@ladwp.com

LADWP
 Randy Howard
 P. O. Box 51111, Rm. 956
 Los Angeles, CA 90051-0100

Law Offices of Diane I. Fellman
 Diane Fellman
 diane_fellman@fpl.com

Law Offices of William H. Booth
 William Booth
 wbooth@booth-law.com

Luce, Forward, Hamilton & Scripps
 John Leslie
 jleslie@luce.com

MRW & Associates
 Robert Weisenmiller
 mrw@mrwassoc.com

Manatt Phelps Phillips
 Randy Keen
 rkeen@manatt.com

Manatt, Phelps & Phillips, LLP
 David Huard
 dhuard@manatt.com

March Joint Powers Authority
Lori Stone
PO Box 7480,
Moreno Valley, CA 92552

Matthew Brady & Associates
Matthew Brady
matt@bradylawus.com

National Utility Service, Inc.
Jim Boyle
One Maynard Drive, P. O. Box 712
Park Ridge, NJ 07656-0712

PG&E Tariffs
Pacific Gas and Electric
PGETariffs@pge.com

Pacific Gas & Electric Co.
John Clarke
jpc2@pge.com

Praxair Inc
Rick Noger
rick_noger@praxair.com

Questar Southern Trails
Lenard Wright
Lenard.Wright@Questar.com

R. W. Beck, Inc.
Catherine Elder
celder@rwbeck.com

Regulatory & Cogen Services, Inc.
Donald W. Schoenbeck
900 Washington Street, #780
Vancouver, WA 98660

Richard Hairston & Co.
Richard Hairston
hairstonco@aol.com

Southern California Edison Co
Fileroom Supervisor
2244 Walnut Grove Ave., Rm 290, GO1
Rosemead, CA 91770

Southern California Edison Co
Karyn Gansecki
601 Van Ness Ave., #2040
San Francisco, CA 94102

Southern California Edison Co.
Colin E. Cushnie
Colin.Cushnie@SCE.com

Southern California Edison Co.
Kevin Cini
Kevin.Cini@SCE.com

Southern California Edison Co.
John Quinlan
john.quinlan@sce.com

Southern California Edison Company
Michael Alexander
Michael.Alexander@sce.com

Southwest Gas Corp.
John Hester
P. O. Box 98510
Las Vegas, NV 89193-8510

Suburban Water System
Bob Kelly
1211 E. Center Court Drive
Covina, CA 91724

Sutherland, Asbill & Brennan
Keith McCrea
kmccrea@sablaw.com

TURN
Marcel Hawiger
marcel@turn.org

TURN
Mike Florio
mflorio@turn.org

The Mehle Law Firm PLLC
Colette B. Mehle
cmehle@mehlelaw.com

Trans Canada
Ben Johnson
Ben_Johnson@transcanada.com

Trans Canada
John Roscher
john_roscher@transcanada.com

Western Manufactured Housing
Communities Assoc.
Sheila Day
sheila@wma.org

ATTACHMENT B
Advice No. 3601

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 40256-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 40248-G
Revised 40257-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 40249-G
Revised 40258-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 40153-G
Revised 40259-G	TABLE OF CONTENTS	Revised 40254-G
Revised 40260-G	TABLE OF CONTENTS	Revised 40255-G

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

WHOLESALE SERVICE (Continued)

Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)

Transmission Charge	2.828¢
ITCS-VRN.....	0.395¢

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm	73.022¢
Non-Residential Cross-Over Rate, per therm	73.022¢
Residential Core Procurement Charge, per therm	73.022¢
Residential Cross-Over Rate, per therm	73.022¢
Adjusted Core Procurement Charge, per therm	70.876¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

December 2005	209.001¢	D
January 2006.....	124.139¢	
February 2006.....	TBD*	T

Noncore Retail Standby (SP-NR)

December 2005	209.066¢	D
January 2006.....	124.204¢	
February 2006.....	TBD*	T

Wholesale Standby (SP-W)

December 2005	209.066¢	D
January 2006.....	124.204¢	
February 2006.....	TBD*	T

Buy-Back Rate

Core and Noncore Retail (BR-R)

December 2005	45.228¢	D
January 2006.....	46.796¢	
February 2006.....	35.438¢	R

Wholesale (BR-W)

December 2005	45.077¢	D
January 2006.....	46.639¢	
February 2006.....	35.320¢	R

* To be determined (TBD). Pursuant to Resolution G-3316, the February Standby Procurement Charge will be filed by separate advice letter at least one day prior to March 25, 2006.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3601
 DECISION NO. 89-11-060 & 90-09-089
 648 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 28, 2006
 EFFECTIVE Feb 28, 2006
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(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¢ 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:

SP-CR Standby Rate, per therm

December 2005	209.001¢	D
January 2006	124.139¢	T
February 2006	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

December 2005	209.066¢	D
January 2006	124.204¢	T
February 2006	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

December 2005	209.066¢	D
January 2006	124.204¢	T
February 2006	TBD*	T

* To be determined (TBD). Pursuant to Resolution G-3316, the February Standby Procurement Charge will be filed by separate advice letter at least one day prior to March 25, 2006.

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)
 ADVICE LETTER NO. 3601
 DECISION NO. 89-11-060 & 90-09-089
 248 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 28, 2006
 EFFECTIVE Feb 28, 2006
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm

December 2005	45.228¢	D
January 2006	46.796¢	
February 2006	35.438¢	R

Wholesale Service:

BR-W Buy-Back Rate, per therm

December 2005	45.077¢	D
January 2006	46.639¢	
February 2006	35.320¢	R

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. 3601
 DECISION NO. 89-11-060 & 90-09-089
 348 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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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
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G-TBS	Transaction Based Storage Service	32724-G,32725-G,27374-G,27375-G 31929-G,36315-G,27378-G
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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
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G-PRK	Hub Parking	40048-G
G-WHL	Hub Wheeling	40049-G
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3601
 DECISION NO. 89-11-060 & 90-09-089
 3H7 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 28, 2006
 EFFECTIVE Feb 28, 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.

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Table of Contents--List of Cities and Communities Served	37398-G
Table of Contents--List of Contracts and Deviations	37894-G
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PRELIMINARY STATEMENT

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Part VII Description of Regulatory Accounts-Tracking	38017-G,38018-G,38019-G 38020-G,38021-G,38022-G,38023-G
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Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3601
 DECISION NO. 89-11-060 & 90-09-089
 1H7 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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ATTACHMENT C

ADVICE NO. 3601

**RATE CALCULATION WORKPAPER
BASED ON ADVICE NO. 3587
ADJUSTED CORE PROCUREMENT CHARGE FILING
EFFECTIVE FEBRUARY 1, 2006**

Adjusted Core Procurement Charge:

Retail G-CPA: 70.876¢ per therm
(WACOG: 69.542¢ + Franchise and Uncollectibles:
1.334¢ or [1.9187% * 69.542¢])

Wholesale G-CPA: 70.639¢ per therm
(WACOG: 69.542¢ + Franchise:
1.097¢ or [1.5779% * 69.542¢])

G-IMB Buy-Back Rates:

BR-R = 50% of Retail G-CPA:
50% * 70.876 cents/therm = **35.438** cents/therm

BR-W = 50% of Wholesale G-CPA:
50% * 70.639 cents/therm = **35.320** cents/therm