

J. Steve Rahon
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May 23, 2006

Advice No. 3632 (U 904 G)

Public Utilities Commission of the State of California

Subject: April 2006 Standby Procurement Charges

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 Standby Procurement Charges in Schedule No. G-IMB for April 2006.

Background

Resolution G-3316, dated May 24, 2001, revised the Schedule No. G-IMB Standby Procurement Charge for negative monthly transportation imbalances that exceed the 10% tolerance band. The Standby Procurement Charges are:

- 1. Calculated at 150% of the highest daily border price index at the Southern California border for the 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."
- 2. Calculated for a period that begins from the first day of the "flow month" (the month that the imbalance is incurred) and ends five days prior to the start of the imbalance trading period.
- 3. Posted at least one day in advance of the imbalance trading period.

<u>Information</u>

For the "flow month" of April 2006 (covering the period April 1, 2006 to May 20, 2006), the highest daily border price index at the Southern California border is \$0.6890 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above,

are \$1.03616 per therm for noncore retail service and all wholesale service, and \$1.03551 per therm for core retail service. The workpaper showing details of 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 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 (jir@cpuc.ca.gov) and Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall 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 this filing is subject to Energy Division disposition and therefore respectfully requests that the tariff sheets filed herein be made effective May 23, 2006, the date filed, in order to comply with the Resolution G-3316 requirement that the rates be posted at least one day in advance of the start of the imbalance trading period, which is May 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

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		
☐ ELC ☐ GAS	Phone #: (213) 244-2822		
☐ PLC ☐ HEAT ☐ WATER	E-mail: nmaralit@semprautilities.com		
EXPLANATION OF UTILITY T	ATION OF UTILITY TYPE (Date Filed/ Received Stamp by CPUC)		
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water		
Advice Letter (AL) #: 3632			
Subject of AL: <u>April 2006 Standb</u>	y Procurement Cha	rges	
, <u> </u>			
Keywords (choose from CPUC listing	g): <u>Preliminary Stat</u>	ement, Procurement	
AL filing type: Monthly Quarte	erly 🗌 Annual 🗌 O	one-Time Other	
If AL filed in compliance with a Com	mission order, indi	cate relevant Decision/Resolution #:	
G-3316			
Does AL replace a withdrawn or reje	ected AL? If so, ider	ntify the prior AL	
•		ithdrawn or rejected AL¹:	
2 dilinia 20 dilino 2010 00 00 00 00 00 00 00 00 00 00 00 00	The direction prior wa		
Resolution Required? \square Yes \boxtimes No			
Requested effective date: <u>5/23/06</u>	<u> </u>	No. of tariff sheets: _4	
Estimated system annual revenue e	ffect: (%): <u>N/A</u>		
Estimated system average rate effec	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: <u>Preliminary Statement Part II, Schedule G-IMB, and Tables of Contents</u>			
Service affected and changes proposed ¹ :			
Pending advice letters that revise the same tariff sheets: <u>AL 3624, 3627</u>			
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	505 Van Ness Avenue 555 West Fifth Street, ML GT14D6		
an Francisco, CA 94102 Los Angeles, CA 90013-4957 r@cpuc.ca.gov snewsom@semprautilities.com		8	
m Lacrom 20. arra 1.1 - chacron 201			

 $^{^{\}mbox{\tiny 1}}$ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3632

(See Attached Service List)

Aglet Consumer Alliance James Weil

jweil@aglet.org

Elizabeth Westby egw@a-klaw.com

BP Amoco, Reg. Affairs Barkovich & Yap **Marianne Jones** Catherine E. Yap 501 West Lake Park Blvd. Houston, TX 77079

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gsd@cpuc.ca.gov

San Francisco, CA 94102

California Energy Market Lulu Weinzimer

luluw@newsdata.com

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Azusa, CA 91702

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

City of Pasadena - Water and Power Dept.

Robert Sherick rsherick@cityofpasadena.net

Commerce Energy Chet Parker CParker@commerceenergy.com

Commerce Energy Rommel Aganon RAganon@commerceenergy.com ceyap@earthlink.net

Alcantar & Kahl

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

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Beta Consulting

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Kari Harteloo

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

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

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

Burbank, CA 91503-0631

City of Los Angeles

City Attorney 200 North Main Street, 800

Los Angeles, CA 90012 City of Vernon

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Ilund@commerceenergy.com

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County of Los Angeles Commerce Energy Crossborder Energy **Gary Morrow** Stephen Crouch Tom Beach 1100 N. Eastern Ave., Room 300 tomb@crossborderenergy.com GMorrow@commerceenergy.com Los Angeles, CA 90063 **Culver City Utilities Davis Wright Tremaine, LLP Davis Wright Tremaine, LLP Heustace Lewis** Christopher Hilen Edward W. O'Neill Heustace.Lewis@culvercity.org chrishilen@dwt.com One Embarcadero Center, #600 San Francisco, CA 94111-3834 **Dept. of General Services** Douglass & Liddell Davis, Wright, Tremaine Judy Pau **Celia Torres** Dan Douglass judypau@dwt.com celia.torres@dgs.ca.gov douglass@energyattorney.com **Douglass & Liddell** Downey, Brand, Seymour & Rohwer Downey, Brand, Seymour & Rohwer Donald C. Liddell **Ann Trowbridge** Dan Carroll liddell@energyattorney.com atrowbridge@downeybrand.com dcarroll@downeybrand.com **Gas Purchasing General Services Administration Dynegy** Joseph M. Paul BC Gas Utility Ltd. Facilities Management (9PM-FT) 16705 Fraser Highway 450 Golden Gate Ave. impa@dynegy.com Surrey, British Columbia, V3S 2X7 San Francisco, CA 94102-3611 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 jsqueri@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 LS Power (took over Duke Energy) A Hartmann Diane Fellman William Booth athartmann@dukeenergy.com diane_fellman@fpl.com wbooth@booth-law.com Luce, Forward, Hamilton & Scripps MRW & Associates **Manatt Phelps Phillips Robert Weisenmiller** John Leslie Randy Keen

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Jim Boyle

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Communities Assoc.

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ATTACHMENT B Advice No. 3632

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 40571-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 40527-G
Revised 40572-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 40483-G
Revised 40573-G	TABLE OF CONTENTS	Revised 40485-G
Revised 40574-G	TABLE OF CONTENTS	Revised 40547-G

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

40571-G 40527-G

Sheet 7

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

(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	62.902¢
Non-Residential Cross-Over Rate, per therm	62.902¢
Residential Core Procurement Charge, per therm	62.902¢
Residential Cross-Over Rate, per therm	62.902¢
Adjusted Core Procurement Charge, per therm	62.701¢

IMBALANCE SERVICE

ALANCE SERVICE	
Standby Procurement Charge	
Core Retail Standby (SP-CR)	
February 2006	115.626¢
March 2006	98.151¢
April 2006	103.551¢
Noncore Retail Standby (SP-NR)	
February 2006	115.691¢
March 2006	98.216¢
April 2006	103.616¢
Wholesale Standby (SP-W)	
February 2006	115.691¢
March 2006	98.216¢
April 2006	103.616¢
Buy-Back Rate	,
Core and Mancore Poteil (RD D)	

Bι Core and Noncore Retail (BR-R)

February 2006	35.438¢
March 2006	
April 2006	30.475¢
Wholesale (BR-W)	
February 2006	35.320¢
March 2006	33.229¢
April 2006	30.373¢

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3632 DECISION NO.

7H9

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) May 23, 2006 DATE FILED May 23, 2006 EFFECTIVE RESOLUTION NO. G-3316

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

40572-G 40483-G

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 0.266ϕ per therm for noncore retail service and all wholesale service, and 0.201ϕ 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."

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SP-CR Standby Rate, per therm	
February 2006	115.626¢
March 2006	98.151¢
April 2006	103.551¢
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
February 2006	115.691¢
March 2006	98.216¢
April 2006	103.616¢
Wholesale Service:	
SP-W Standby Rate per therm	
February 2006	115.691¢
March 2006	
April 2006	103.616¢

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)

 $\begin{array}{ll} \mbox{(TO BE INSERTED BY UTILITY)} \\ \mbox{ADVICE LETTER NO.} & 3632 \\ \mbox{DECISION NO.} \end{array}$

2H7

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 23, 2006
EFFECTIVE May 23, 2006
RESOLUTION NO. G-3316

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LOS ANGELES, CALIFORNIA CANCELING Revised

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GW-SD	Wholesale Natural Gas Service
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GW-SWG	Wholesale Natural Gas Service
GW-VRN	Wholesale Natural Gas Service
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G-ITC	Interconnect Access Service
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G-CBS	UDC Consolidated Billing Service
G-PPPS	Public Purpose Programs Surcharge
G-SRF	Surcharge to Fund Public Utilities Commission
	Utilities Reimbursement Account
G-MHPS	Surcharge to Fund Public Utilities Commission
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G-WHL	Hub Wheeling
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	2.000 2,0.010 20.011 3,0.012 3,0.012 3

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3632 DECISION NO.

ISSUED BY Lee Schavrien Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) May 23, 2006 DATE FILED May 23, 2006 **EFFECTIVE** RESOLUTION NO. G-3316

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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.

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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	
Part V Description of Regulatory Accounts-Balancing	,39673-G,35874-G,38684-G
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Part X Global Settlement	,32531-G,32532-G,32533-G

(TO BE INSERTED BY UTILITY) 3632 ADVICE LETTER NO. DECISION NO.

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) May 23, 2006 DATE FILED May 23, 2006 **EFFECTIVE** RESOLUTION NO. G-3316

40574-G

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ADVICE NO. 3632

RATE CALCULATION WORKPAPER SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING EFFECTIVE APRIL 2006

G-IMB Standby Procurement Charge Calculation

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."

The highest daily border price index for the period was on April 21, 2006.

4/21/06 NGI's Daily Gas Price Index (NDGPI) = \$0.6890 per therm
4/21/06 Gas Daily's Daily Price Survey (GDDPS) = \$0.6890 per therm
Highest Daily Border Price Index (HDBPI) = (NDGPI + GDDPS) / 2

HDBPI = **\$0.6890** per therm

SP-CR (Core Retail) = 150% x HDBPI + Core Brokerage Fee

SP-CR = 150% x \$ 0.68900 + \$ 0.00201 = **\$ 1.03551**

SP-NR (Noncore Retail) = 150% x HDBPI + Noncore Brokerage Fee

SP-NR = 150% x \$ 0.68900 + \$ 0.00266 = **\$ 1.03616**

SP-W (Wholesale) = 150% x HDBPI + Noncore Brokerage Fee

 $SP-W = 150\% \times \$ 0.68900 + \$ 0.00266 =$ \$ 1.03616