

J. Steve Rahon
Director
Tariffs & Regulatory Accounts

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July 31, 2006

Advice No. 3646 (U 904 G)

Public Utilities Commission of the State of California

Subject: July 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 July 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 July, 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 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 July 2006 Standby Procurement Charges will be filed by separate advice letter at least one day prior to August 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 (<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, 2006 to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3641, dated June 30, 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. <b>SO</b>	UTHERN CALIFO	RNIA GAS COMPANY/ U 904 G	
Utility type:	Contact Person: Nena Maralit		
☐ ELC ☐ GAS	Phone #: (213) 244-2822		
☐ PLC ☐ HEAT ☐ WATER I	E-mail: <u>nmaralit@</u>	semprautilities.com	
EXPLANATION OF UTILITY TYP	PE	(Date Filed/ Received Stamp by CPUC)	
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat W	WATER = Water		
Advice Letter (AL) #: 3646			
Subject of AL: Revised Retail and Who		Rates for July 2006	
Keywords (choose from CPUC listing):	: Preliminary Stat	tement, Core	
, ,	<del></del>		
$\bigcap$ AL filing type: $igtigtigthedown$ Monthly $igchic igtigtharpoonup$ Quarter	ly  Annual  O	One-Time  Other	
If AL filed in compliance with a Comn			
89-11-060 and 90-09-089, et al.			
		ntify the prior AL	
		ithdrawn or rejected AL¹:	
	1		
Resolution Required?  Yes  No			
		No. of tariff sheets: <u>5</u>	
Estimated system annual revenue effo	ect: (%):		
Estimated system average rate effect			
		L showing average rate effects on customer	
classes (residential, small commercial	l, large C/I, agricu	ıltural, lighting).	
Tariff schedules affected: Preliminary Statement, Part II; Schedule G-IMB and TOCs			
Service affected and changes proposed <sup>1</sup> :			
Pending advice letters that revise the same tariff sheets: 3640, 3641			
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 Southern California Gas Company			
Attention: Tariff Unit		ttention: Sid Newsom	
505 Van Ness Avenue 555 West Fifth Street, ML GT14D6 San Francisco, CA 94102 Los Angeles, CA 90013-4957			
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov		newsom@semprautilities.com	

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

### **ATTACHMENT A**

Advice No. 3646

(See Attached Service List)

**Aglet Consumer Alliance** James Weil

jweil@aglet.org

**Ancillary Services Coalition** 

Jo Maxwell

jomaxwell@ascoalition.com

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

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

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

**Calpine Corp Avis Clark** aclark@calpine.com

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

City of Long Beach, Gas & Oil Dept. **Chris Garner** 

2400 East Spring Street Long Beach, CA 90806

City of Riverside Joanne Snowden

**Commerce Energy** 

jsnowden@riversideca.gov

**Glenn Kinser** gkinser@commerceenergy.com Alcantar & Kahl Elizabeth Westby egw@a-klaw.com

**Ancillary Services Coalition** 

**Terry Rich** 

TRich@ascoalition.com

**Beta Consulting** John Burkholder burkee@cts.com

**CPUC Pearlie Sabino** pzs@cpuc.ca.gov

**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 **Daniel Garcia** 

dgarcia@ci.vernon.ca.us

**Commerce Energy** Lynelle Lund

Ilund@commerceenergy.com

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

BP Amoco, Reg. Affairs **Marianne Jones** 

501 West Lake Park Blvd. Houston, TX 77079

**CPUC** 

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

**CPUC - DRA Galen Dunham** gsd@cpuc.ca.gov

California Energy Market

Lulu Weinzimer luluw@newsdata.com

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

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

City of Pasadena - Water and Power

Dept.

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rsherick@cityofpasadena.net

**Commerce Energy Chet Parker** 

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**Commerce Energy** Rommel Aganon

RAganon@commerceenergy.com

MRW & Associates

**Robert Weisenmiller** 

mrw@mrwassoc.com

**Commerce Energy Commerce Energy Commerce Energy Tony Cusati** Pat Darish **Gary Morrow** pdarish@commerceenergy.com TCusati@commerceenergy.com GMorrow@commerceenergy.com **County of Los Angeles Crossborder Energy Culver City Utilities Stephen Crouch** Tom Beach **Heustace Lewis** 1100 N. Eastern Ave., Room 300 tomb@crossborderenergy.com Heustace.Lewis@culvercity.org Los Angeles, CA 90063 **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** Donald C. Liddell Dan Douglass celia.torres@dgs.ca.gov douglass@energyattorney.com liddell@energyattorney.com Downey, Brand, Seymour & Rohwer Downey, Brand, Seymour & Rohwer Dynegy **Ann Trowbridge** Dan Carroll Joseph M. Paul atrowbridge@downeybrand.com dcarroll@downeybrand.com jmpa@dynegy.com **Gas Purchasing General Services Administration** Goodin, MacBride, Squeri, Ritchie & BC Gas Utility Ltd. **Facilities Management (9PM-FT)** Day, LLP J. H. Patrick 16705 Fraser Highway 450 Golden Gate Ave. hpatrick@gmssr.com Surrey, British Columbia, V3S 2X7 San Francisco, CA 94102-3611 Goodin, MacBride, Squeri, Ritchie & Hanna & Morton **Imperial Irrigation District** Day, LLP Norman A. Pedersen, Esq. K. S. Noller James D. Squeri npedersen@hanmor.com P. O. Box 937 jsqueri@gmssr.com Imperial, CA 92251 JBS Energy Jeffer, Mangels, Butler & Marmaro **Kern River Gas Transmission Company** 2 Embarcaero Center, 5th Floor Janie Nielsen Jeff Nahigian Janie.Nielsen@KernRiverGas.com jeff@jbsenergy.com San Francisco, CA 94111 **LADWP LADWP** LS Power (took over Duke Energy) Nevenka Ubavich Randy Howard A Hartmann AHartmann@LSPower.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 jleslie@luce.com

**Manatt Phelps Phillips** 

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Manatt, Phelps & Phillips, LLP

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**March Joint Powers Authority** 

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**Rick Noger** 

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Regulatory & Cogen Services, Inc.

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Southern California Edison Co

Karyn Gansecki

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San Francisco, CA 94102

Southern California Edison Co.

John Quinlan

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Suburban Water System

**Bob Kelly** 

1211 E. Center Court Drive

Covina, CA 91724

**TURN** 

Mike Florio

mflorio@turn.org

#### ATTACHMENT B Advice No. 3646

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 40783-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 40779-G
Revised 40784-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 40780-G
Revised 40785-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 40655-G
Revised 40786-G	TABLE OF CONTENTS	Revised 40781-G
Revised 40787-G	TABLE OF CONTENTS	Revised 40782-G

LOS ANGELES, CALIFORNIA CANCELING Rev

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

40783-G 40779-G

Sheet 7

# PRELIMINARY STATEMENT <u>PART II</u> <u>SUMMARY OF RATES AND CHARGES</u>

(Continued)

WHOLESTEE BERVICE (Continued)		
Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)		
Transmission Charge	2.828¢	
ITCS-VRN		
	0.3734	
PROCUREMENT CHARGE		
Schedule G-CP		
Non-Residential Core Procurement Charge, per therm	4.500¢	
Non-Residential Cross-Over Rate, per therm 54		
Residential Core Procurement Charge, per therm		
Residential Cross-Over Rate, per therm		
Adjusted Core Procurement Charge, per therm		
	,	
IMBALANCE SERVICE		
Standby Procurement Charge		
Core Retail Standby (SP-CR)		
May 2006	4.289¢	D
June 2006		
July 2006	TBD*	T
Noncore Retail Standby (SP-NR)		
May 2006	4.354¢	D
June 2006	4.616¢	
July 2006	TBD*	T
Wholesale Standby (SP-W)		
May 2006	4.354¢	D
June 2006	4.616¢	
July 2006	TBD*	T
Buy-Back Rate		
Core and Noncore Retail (BR-R)		
May 2006	1.351¢	D
June 200625	5.839¢	
July 200627	7.150¢	I
Wholesale (BR-W)		
May 2006	1.246¢	D
June 200625	5.752¢	
July 200627	7.059¢	I

\*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, 2006.

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3646 DECISION NO. 89-11-060 & 90-09-089 et al.

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & Jul~31,~2006 \\ \text{EFFECTIVE} & Jul~31,~2006 \\ \text{RESOLUTION NO.} \end{array}$ 

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

#### Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

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40784-G

40780-G

(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:

SP-CR Standby Rate, per therm	
May 2006	94.289¢
June 2006	94.551¢
July 2006	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
May 2006	94.354¢
June 2006	94.616¢
July 2006	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
May 2006	94.354¢
June 2006	94.616¢
July 2006	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, 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) 3646 ADVICE LETTER NO. 89-11-060 & 90-09-089 DECISION NO. et al. 2H9

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jul 31, 2006 DATE FILED Jul 31, 2006 **EFFECTIVE** RESOLUTION NO.

LOS ANGELES, CALIFORNIA CANCELING Revis

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

40785-G 40655-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	y-Back l	Rate	ner	therm
DIX-IX Duy	y-Dack i	raic,	DCI	uiciii

May 2006	31.351¢
June 2006	.25.839¢
July 2006	.27.150¢

Wholesale Service:

#### BR-W Buy-Back Rate, per therm

May 2006	31.246¢
June 2006	.25.752¢
July 2006	.27.059¢

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. 3646

DECISION NO. 89-11-060 & 90-09-089

et al.

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & \underline{Jul\ 31,\ 2006} \\ \text{EFFECTIVE} & \underline{Jul\ 31,\ 2006} \\ \text{RESOLUTION NO.} \end{array}$ 

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	(Continued)
GT-SD	Intrastate Transmission Service
GT-PS	Peaking Service
	40041-G,40042-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
	40346-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	Public Purpose Programs Surcharge
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
	37009-G,37010-G37011-G,37012-G,37013-G

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3646 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 31, 2006 DATE FILED Jul 31, 2006 EFFECTIVE RESOLUTION NO.

LOS ANGELES, CALIFORNIA CANCELING

Revised

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

40787-G 40782-G

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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 40702-G,40703-G,40704-G 40783-G,40232-G,40233-G,40234-G,40663-G	
Part III Cost Allocation and Revenue Requirement 27024-G,37920-G	5,27026-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	G,39673-G,35874-G,38684-G
Part VI Description of Regulatory Accounts-Memorandum	
38010-G,38011-G,40055-G,40056-G,38014-G,38521-G,40352-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	5,32531-G,32532-G,32533-G

(TO BE INSERTED BY UTILITY) 3646 ADVICE LETTER NO. DECISION NO. 89-11-060 & 90-09-089 et al. 1H8

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) Jul 31, 2006 DATE FILED Jul 31, 2006 **EFFECTIVE** RESOLUTION NO.

#### **ATTACHMENT C**

#### **ADVICE NO. 3646**

# RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3641 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE JULY 1, 2006

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

**Retail G-CPA**: **54.299**¢ per therm (WACOG: 53.277¢ + Franchise and Uncollectibles: 1.022¢ or [1.9187% \* 53.277¢])

Wholesale G-CPA: 54.118¢ per therm (WACOG: 53.277¢ + Franchise: 0.841¢ or [1.5779% \* 53.277¢])

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

**BR-R** = 50% of Retail G-CPA: 50% \* 54.299 cents/therm = **27.150** cents/therm

**BR-W** = 50% of Wholesale G-CPA: 50% \* 54.118 cents/therm = **27.059** cents/therm