

J. Steve Rahon
Director
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August 22, 2006

Advice No. 3656 (U 904 G)

Public Utilities Commission of the State of California

Subject: July 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.

<u>Purpose</u>

This routine monthly filing updates the Standby Procurement Charges in Schedule No. G-IMB for July 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.

Information

For the "flow month" of July 2006 (covering the period July 1, 2006 to August 20, 2006), the highest daily border price index at the Southern California border is \$0.77550 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$1.16591 per therm for noncore retail service and all wholesale service, and

\$1.16526 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 August 22, 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 August 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. S 0	OUTHERN CALIFO	RNIA GAS COMPANY/ U 904 G			
Utility type:	Contact Person: C	onnie Christensen			
☐ ELC ☐ GAS	Phone #: (<u>213</u>) 2	44-3837			
☐ PLC ☐ HEAT ☐ WATER	E-mail: cchristens	en@semprautilities.com			
EXPLANATION OF UTILITY T	YPE	(Date Filed/ Received Stamp by CPUC)			
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water				
Advice Letter (AL) #: 3656					
Subject of AL: July 2006 Standby Pa	rocurement Charge	s			
Keywords (choose from CPUC listing	g): Preliminary Stat	tement; Procurement			
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 #:			
G-3316					
Does AL replace a withdrawn or reje	ected AL? If so, idea	ntify the prior AL			
Summarize differences between the	AL and the prior w	ithdrawn or rejected AL¹:			
Resolution Required? Yes No					
Requested effective date: 8/22/06 No. of tariff sheets: 4					
Estimated system annual revenue effect: (%):					
Estimated system average rate effect (%):					
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: AL 3645, 3646					
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 Attention: Sid Newsom					
505 Van Ness Avenue		55 West Fifth Street, ML GT14D6			
San Francisco, CA 94102 jjr@cpuc.ca.gov and jnj@cpuc.ca.gov		os Angeles, CA 90013-4957 newsom@semprautilities.com			

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

ATTACHMENT A

Advice No. 3656

(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

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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

jsnowden@riversideca.gov

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

Ancillary Services Coalition

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

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

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

BP Amoco, Reg. Affairs Marianne Jones

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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

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ATTACHMENT B Advice No. 3656

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 40940-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 40844-G
Revised 40941-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 40784-G
Revised 40942-G	TABLE OF CONTENTS	Revised 40786-G
Revised 40943-G	TABLE OF CONTENTS	Revised 40863-G

Revised LOS ANGELES, CALIFORNIA CANCELING Revised

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

40940-G 40844-G

Sheet 7

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

(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
Delleaule	O CI

Non-Residential Core Procurement Charge, per therm	59.912¢
Non-Residential Cross-Over Rate, per therm	64.273¢
Residential Core Procurement Charge, per therm	59.912¢
Residential Cross-Over Rate, per therm	64.273¢
Adjusted Core Procurement Charge, per therm	59.711¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)	
May 2006	
June 2006	
July 2006	116.526¢
Noncore Retail Standby (SP-NR)	
May 2006	
June 2006	94.616¢
July 2006	116.591¢

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Who									
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May 200	5	94.354¢
June 200	5	94.616¢
July 2006)	116.591¢

Buy-Back Rate

dy-Dack Rate	
Core and Noncore Retail (BR-R)	
May 2006	31.351¢
June 2006	25.839¢
July 2006	
Wholesale (BR-W)	
May 2006	31.246¢
June 2006	

July 200627.059¢

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3656 DECISION NO.

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ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Aug 22, 2006 DATE FILED Aug 22, 2006 EFFECTIVE RESOLUTION NO. G-3316

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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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('ore	Retail	Service:
\sim	IXCuan	DCI VICC.

SP-CR Standby Rate, per therm	
May 2006	94.289¢
June 2006	94.551¢
July 2006	116.526¢
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
May 2006	
June 2006	94.616¢
July 2006	116.591¢
Wholesale Service:	
SP-W Standby Rate per therm	
May 2006	94.354¢
June 2006	94.616¢
July 2006	116.591¢

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.

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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3656 DECISION NO.

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 22, 2006

EFFECTIVE Aug 22, 2006

RESOLUTION NO. G-3316

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LOS ANGELES, CALIFORNIA CANCELING

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GT-SD	Intrastate Transmission Service 4		
GT-PS	Peaking Service	40037-G,40038-G,40039-G,40040-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		
CHI CHIC	VIII 1 1 V 1 1 G G 1	37951-G	
GW-SWG	Wholesale Natural Gas Service		
GW-VRN	Wholesale Natural Gas Service	37959-G,37960-G	
G-IMB	Transportation Imbalance Service 3		
O-IMD	Transportation inivarance service	40346-G,36313-G,33498-G	
G-ITC	Interconnect Access Service		
G-BSS	Basic Storage Service		
0 200		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	32716-G,32717-G,32718-G,32719-G	
		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	40222 G	
G-MHPS	Utilities Reimbursement Account	40332-G	
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	21307 3,21300 3	
	Natural Gas	24569-G,24570-G,24571-G	
GLT-1	Transportation of Customer-Owned Natural Gas		
	-	24575-G,24576-G,24577-G	

(TO BE INSERTED BY UTILITY) 3656 ADVICE LETTER NO. DECISION NO.

GLT-2

G-LOAN G-PRK

G-WHL

G-FIG

ISSUED BY Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Aug 22, 2006 DATE FILED Aug 22, 2006 EFFECTIVE RESOLUTION NO. G-3316

24581-G,24582-G,24583-G

37009-G,37010-G37011-G,37012-G,37013-G

Transportation of Customer-Owned Natural Gas 24578-G,24579-G,24580-G

Hub Wheeling 40049-G

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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	
Part I General Service Information	24333 G 24334 G 24740 G
Part II Summary of Rates and Charges	,40843-G,40229-G,40230-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	
Part V Description of Regulatory Accounts-Balancing	,39673-G,35874-G,38684-G
Part VI Description of Regulatory Accounts-Memorandum	
34281-G,38004-G,38005-G,38006-G, 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 ,38021-G,38022-G,38023-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	,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	,32531-G,32532-G,32533-G

(TO BE INSERTED BY UTILITY) 3656 ADVICE LETTER NO. DECISION NO.

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) DATE FILED Aug 22, 2006 Aug 22, 2006 **EFFECTIVE** RESOLUTION NO. G-3316

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ADVICE NO. 3656

RATE CALCULATION WORKPAPER SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING EFFECTIVE JULY 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 August 2, 2006.

8/02/06 NGI's Daily Gas Price Index (NDGPI) = \$0.7760 per therm
8/02/06 Gas Daily's Daily Price Survey (GDDPS) = \$0.7750 per therm
Highest Daily Border Price Index (HDBPI) = (NDGPI + GDDPS) / 2

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

HDBPI = \$0.77550 per therm

SP-CR = 150% x \$ 0.77550 + \$ 0.00201 = **\$ 1.16526**

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

SP-NR = 150% x \$ 0.77550 + \$ 0.00266 = **\$ 1.16591**

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

 $SP-W = 150\% \times \$0.77550 + \$0.00266 = \$1.16591$