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October 23, 2006

Advice No. 3669
(U 904 G)

Public Utilities Commission of the State of California

Subject: September 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 September 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 September 2006 (covering the period September 1, 2006 to October 20, 2006), the highest daily border price index at the Southern California border is \$0.64100 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$0.96416 per therm for noncore retail service and all

wholesale service, and **\$0.96351** 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 (jjr@cpuc.ca.gov) and Honesto Gatchalian (inj@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 October 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 October 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

ATTACHMENT A

Advice No. 3669

(See Attached Service List)

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ATTACHMENT B
Advice No. 3669

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41108-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 41084-G
Revised 41109-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 41026-G
Revised 41110-G	TABLE OF CONTENTS	Revised 41028-G
Revised 41111-G	TABLE OF CONTENTS	Revised 41103-G

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 7

(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	41.067¢
Non-Residential Cross-Over Rate, per therm	41.067¢
Residential Core Procurement Charge, per therm	41.067¢
Residential Cross-Over Rate, per therm	41.067¢
Adjusted Core Procurement Charge, per therm	40.866¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

July 2006	116.526¢
August 2006	116.526¢
September 2006	96.351¢

Noncore Retail Standby (SP-NR)

July 2006	116.591¢
August 2006	116.591¢
September 2006	96.416¢

Wholesale Standby (SP-W)

July 2006	116.591¢
August 2006	116.591¢
September 2006	96.416¢

Buy-Back Rate

Core and Noncore Retail (BR-R)

July 2006	27.150¢
August 2006	29.856¢
September 2006	32.734¢

Wholesale (BR-W)

July 2006	27.059¢
August 2006	29.756¢
September 2006	32.625¢

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3669
 DECISION NO.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

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

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

July 2006	116.526¢
August 2006	116.526¢
September 2006	96.351¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

July 2006	116.591¢
August 2006	116.591¢
September 2006	96.416¢

Wholesale Service:

SP-W Standby Rate per therm

July 2006	116.591¢
August 2006	116.591¢
September 2006	96.416¢

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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 Vice President
 Regulatory Affairs

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3669
 DECISION NO.

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ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Oct 23, 2006
 EFFECTIVE Oct 23, 2006
 RESOLUTION NO. G-3316

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ADVICE NO. 3669

RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING
EFFECTIVE SEPTEMBER 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 October 20, 2006.

10/20/06 NGI’s Daily Gas Price Index (NDGPI) = \$0.6410 per therm

10/20/06 Gas Daily’s Daily Price Survey (GDDPS) = \$0.6410 per therm

Highest Daily Border Price Index (HDBPI) = (NDGPI + GDDPS) / 2

HDBPI = \$0.6410 per therm

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

SP-CR = 150% x \$ 0.64100 + \$ 0.00201 = \$ 0.96351

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

SP-NR = 150% x \$ 0.64100 + \$ 0.00266 = \$ 0.96416

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

SP-W = 150% x \$ 0.64100 + \$ 0.00266 = \$ 0.96416