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November 16, 2006

Advice No. 3679 (U 904 G)

Public Utilities Commission of the State of California

Subject: Daily Balancing Standby Rates for November 9-15, 2006

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 filing updates the Daily Balancing Standby Rates for the period of November 9, 2006 through November 15, 2006 in Schedule No. G-IMB, Transportation Imbalance Service, as authorized by the Commission's approval of SoCalGas' Advice Nos. 2651, 2651-A and 2651-B on December 26, 1997, which were filed in compliance with Decision (D.) 97-11-070, dated November 19, 1997, which modified Capacity Brokering Decision D.90-09-089 by adopting modifications to SoCalGas' balancing rules.

Background

As authorized in Schedule No. G-IMB, customers will be subject to balancing rules during the winter operating period. From November through March, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of burn over a five day period. As the Utility's total inventory in storage declines to the peak day minimum + 20 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 70% of burn daily. As the Utility's total inventory in storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 90% of burn daily. Volumes not in compliance with the minimum delivery requirements will be purchased at the daily balancing standby rates described below. Imbalance trading and as-available withdrawal may not be used to offset the minimum delivery requirements. A complete description of the winter minimum delivery requirements is specified in Rule No. 30, Transportation of Customer-Owned Gas.

The Daily Balancing Standby Rates are calculated as follows:

- 1. 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 balancing 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.
- 2. 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.
- 3. 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.

As further authorized in Schedule No. G-IMB, by the Commission's approval of SoCalGas' Advice No. 3018 on June 6, 2001, the Daily Balancing Standby Rates may be filed weekly to become effective immediately. In any event, the Daily Balancing Standby Rates shall be filed on or before the fifth business day of each month.

Requested Tariff Revisions

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets. The note at the end of the Daily Balancing Standby Rates section is revised to state that for the days of November 1-15, 2006 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies. The workpaper showing 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 must be 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 (ijr@cpuc.ca.gov) and to Honesto Gatchalian (inj@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

As authorized in Schedule No. G-IMB, the tariff sheets filed herein are to be effective for service on and after November 16, 2006, which is the date filed, and are to be applicable to the period of November 9, 2006 through November 15, 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:	ity type: Contact Person: Connie Christensen			
☐ ELC ☐ GAS	Phone #: (213) 244-3837			
☐ PLC ☐ HEAT ☐ WATER	E-mail: cchriste	nsen@semprautilities.com		
EXPLANATION OF UTILITY T	YPE	(Date Filed/ Received Stamp by CPUC)		
ELC = Electric GAS = Gas	WATER W			
•	WATER = Water			
Advice Letter (AL) #: 3679		1 0 17 000		
Subject of AL: Daily Balancing St.	andby Rates for No	vember 9 – 15, 2006		
Keywords (choose from CPUC listing	g): Compliance, No	n-Core, Procurement		
AL filing type: Monthly Quarte	orly 🗆 Appual 🗀 C	One-Time 🔀 OtherWeekly		
		cate relevant Decision/Resolution #:		
D.97-11-070	iiiission order, mar	cate relevant Decision/ resolution #.		
Does AL replace a withdrawn or reje	ected AI? If so idea	atify the prior AI		
Summarize differences between the		v -		
Summarize differences between the	The drid the prior wi	initial will of rejected ILE.		
Resolution Required? Yes No	Resolution Required? Tyes No			
Requested effective date: 11/16/0	• — —			
Estimated system annual revenue e	ffect: (%) <u>: N/A</u>			
Estimated system average rate effec	t (%): N/A			
When rates are affected by AL, inclu	de attachment in A	L showing average rate effects on customer		
classes (residential, small commercial, large C/I, agricultural, lighting).				
Tariff schedules affected: Schedule G-IMB, and Tables of Contents				
Service affected and changes proposed ¹ :				
Pending advice letters that revise the same tariff sheets: 3677				
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		outhern California Gas Company ttention: Sid Newsom		
505 Van Ness Avenue		55 West Fifth Street, ML GT14D6		
San Francisco, CA 94102 Los Angeles, CA 90013-4957				
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov	SI	newsom@semprautilities.com		

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

ATTACHMENT A

Advice No. 3679

(See Attached Service List)

Aglet Consumer Alliance
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jweil@aglet.org

Ancillary Services Coalition

Jo Maxwell

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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
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Glenn Kinser gkinser@commerceenergy.com

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

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Beta Consulting John Burkholder burkee@cts.com

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pzs@cpuc.ca.gov

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City of Vernon Daniel Garcia

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CPUC

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City of Pasadena - Water and Power

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ATTACHMENT B Advice No. 3679

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.	
Revised 41204-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 4	Revised 41178-G	
Revised 41205-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5	Revised 41179-G	
Revised 41206-G	TABLE OF CONTENTS	Revised 41180-G	
Revised 41207-G	TABLE OF CONTENTS	Revised 41203-G	

Sheet 4

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LOS ANGELES, CALIFORNIA CANCELING

Revised

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm

November 2006		Noncore Retail	Wholesale	
<u>Day</u>	<u>DB-CR</u>	<u>DB-NR</u>	<u>DB-W</u>	
1	\$0.99113	\$0.99178	\$0.98847	
2	\$1.06451	\$1.06516	\$1.06161	
3	\$1.09509	\$1.09574	\$1.09208	
4	\$1.04158	\$1.04223	\$1.03875	
5	\$1.04158	\$1.04223	\$1.03875	
Period 1 High	\$1.09509	\$1.09574	\$1.09208	
6	\$1.04158	\$1.04223	\$1.03875	
7	\$0.94985	\$0.95050	\$0.94733	
8	\$0.95750	\$0.95815	\$0.95495	
9	\$1.03699	\$1.03764	\$1.03418	(
10	\$1.00795	\$1.00860	\$1.00523	
Period 2 High	\$1.04158	\$1.04223	\$1.03875	
11	\$0.91928	\$0.91993	\$0.91686	
12	\$0.91928	\$0.91993	\$0.91686	
13	\$0.91928	\$0.91993	\$0.91686	
14	\$0.96361	\$0.96426	\$0.96105	
15	\$0.98349	\$0.98414	\$0.98086	•
Period 3 High	\$0.98349	\$0.98414	\$0.98086	
16	N/A	N/A	N/A	
17	N/A	N/A	N/A	
18	N/A	N/A	N/A	
19	N/A	N/A	N/A	
20	N/A	N/A	N/A	
Period 4 High	N/A	N/A	N/A	

(Continued)

(TO BE INSERTED BY UTILITY) 3679 ADVICE LETTER NO. 97-11-070 DECISION NO.

ISSUED BY Lee Schavrien Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) DATE FILED Nov 16, 2006 Nov 16, 2006 **EFFECTIVE** RESOLUTION NO.

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Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

<u>Daily Balancing Standby Rates</u> (Continued)

Daily Balancing Standby Rate, per therm (Continued)

November 2006	Core Retail	Noncore Retail	Wholesale
<u>Day</u>	<u>DB-CR</u>	<u>DB-NR</u>	<u>DB-W</u>
21	N/A	N/A	N/A
22	N/A	N/A	N/A
23	N/A	N/A	N/A
24	N/A	N/A	N/A
25	N/A	N/A	N/A
Period 5 High	N/A	N/A	N/A
26	N/A	N/A	N/A
27	N/A	N/A	N/A
28	N/A	N/A	N/A
29	N/A	N/A	N/A
30	N/A	N/A	N/A
Period 6 High	N/A	N/A	N/A

Note: For the days of November 1-15, 2006 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies.

Revision of Rates

The Standby Procurement Charge and the Buy-Back Rate shall be established effective the last day of each month. The Daily Balancing Standby Rate shall be established on NGI's Daily Gas Price Index. Utility may file the Daily Balancing Standby Rate weekly to become effective immediately. In any event, the Daily Balancing Standby Rate shall be filed on or before the fifth business day of each month.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3679 DECISION NO. 97-11-070

5H7

ISSUED BY Lee Schavrien Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Nov 16, 2006 DATE FILED Nov 16, 2006 EFFECTIVE RESOLUTION NO.

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LOS ANGELES, CALIFORNIA CANCELING Revised

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GW-VRN	Wholesale Natural Gas Service
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	Utilities Reimbursement Account
G-MHPS	Surcharge to Fund Public Utilities Commission
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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3679 DECISION NO. 97-11-070

ISSUED BY Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Nov 16, 2006 DATE FILED Nov 16, 2006 **EFFECTIVE** RESOLUTION NO.

Lee Schavrien

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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.

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(Continued)

(TO BE INSERTED BY UTILITY) 3679 ADVICE LETTER NO. 97-11-070 DECISION NO.

ISSUED BY Lee Schavrien Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Nov 16, 2006 DATE FILED Nov 16, 2006 **EFFECTIVE** RESOLUTION NO.

ATTACHMENT C ADVICE NO. 3679 RATE CALCULATION WORKPAPER DAILY BALANCING STANDBY RATE FILING EFFECTIVE NOVEMBER 1-15, 2006

Daily Balancing Standby Rate = 150% x (NGI's Price Index + F&U Charge) + Brokerage Fee
F&U Charge is 1.9187% of NGI's Price Index for Retail and 1.5779% for Wholesale
Brokerage Fee is 0.201 cents for Core Retail; 0.266 cents for Noncore Retail/Wholesale

(All rates are per therm)

November	NGI's	Daily Balancing Standby Rates		
Day	Price Index	Core Retail	Noncore Retail	Wholesale
1	\$0.64700	\$0.99113	\$0.99178	\$0.98847
2	\$0.69500	\$1.06451	\$1.06516	\$1.06161
3	\$0.71500	\$1.09509	\$1.09574	\$1.09208
4	\$0.68000	\$1.04158	\$1.04223	\$1.03875
5	\$0.68000	\$1.04158	\$1.04223	\$1.03875
6	\$0.68000	\$1.04158	\$1.04223	\$1.03875
7	\$0.62000	\$0.94985	\$0.95050	\$0.94733
8	\$0.62500	\$0.95750	\$0.95815	\$0.95495
9	\$0.67700	\$1.03699	\$1.03764	\$1.03418
10	\$0.65800	\$1.00795	\$1.00860	\$1.00523
11	\$0.60000	\$0.91928	\$0.91993	\$0.91686
12	\$0.60000	\$0.91928	\$0.91993	\$0.91686
13	\$0.60000	\$0.91928	\$0.91993	\$0.91686
14	\$0.62900	\$0.96361	\$0.96426	\$0.96105
15	\$0.64200	\$0.98349	\$0.98414	\$0.98086