



**J. Steve Rahon**  
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January 19, 2007

Advice No. 3701  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Daily Balancing Standby Rates for January 11-18, 2007**

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 January 11, 2007 through January 18, 2007 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 January 1-18, 2007 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 Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and to Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto:jnj@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](mailto: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 January 19, 2007, which is the date filed, and are to be applicable to the period of January 11, 2007 through January 18, 2007.

**Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A.

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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:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Connie Christensen

Phone #: (213) 244-3837

E-mail: cchristensen@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3701

Subject of AL: Daily Balancing Standby Rates for January 11 - 18, 2007

Keywords (choose from CPUC listing): Compliance, Non-Core, Procurement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other Weekly

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.97-11-070

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>:

Resolution Required?  Yes  No

Requested effective date: 01/19/07

No. of tariff sheets: 4

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): 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: Schedule G-IMB, and Tables of Contents

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets: 3679, 3691, 3692, 3698, 3700

**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**

**505 Van Ness Avenue**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Southern California Gas Company**

**Attention: Sid Newsom**

**555 West Fifth Street, ML GT14D6**

**Los Angeles, CA 90013-4957**

**snewsom@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 3701**

**(See Attached Service List)**

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ATTACHMENT B  
Advice No. 3701

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41484-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 4	Revised 41480-G
Revised 41485-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5	Revised 41481-G
Revised 41486-G	TABLE OF CONTENTS	Revised 41482-G
Revised 41487-G	TABLE OF CONTENTS	Revised 41483-G

Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 4

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm

January 2007 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
1	\$0.90705	\$0.90770	\$0.90467
2	\$0.90705	\$0.90770	\$0.90467
3	\$0.88717	\$0.88782	\$0.88486
4	\$0.92692	\$0.92757	\$0.92448
5	\$0.93762	\$0.93827	\$0.93515
Period 1 High	\$0.93762	\$0.93827	\$0.93515
6	\$0.90858	\$0.90923	\$0.90620
7	\$0.90858	\$0.90923	\$0.90620
8	\$0.90858	\$0.90923	\$0.90620
9	\$0.96514	\$0.96579	\$0.96257
10	\$0.94680	\$0.94745	\$0.94429
Period 2 High	\$0.96514	\$0.96579	\$0.96257
11	\$1.00336	\$1.00401	\$1.00066
12	\$0.97584	\$0.97649	\$0.97324
13	\$0.95444	\$0.95509	\$0.95191
14	\$0.95444	\$0.95509	\$0.95191
15	\$0.95444	\$0.95509	\$0.95191
Period 3 High	\$1.00336	\$1.00401	\$1.00066
16	\$0.95444	\$0.95509	\$0.95191
17	\$1.07674	\$1.07739	\$1.07380
18	\$1.05687	\$1.05752	\$1.05399
19	N/A	N/A	N/A
20	N/A	N/A	N/A
Period 4 High	N/A	N/A	N/A

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3701  
 DECISION NO. 97-11-070

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jan 19, 2007  
 EFFECTIVE Jan 19, 2007  
 RESOLUTION NO. \_\_\_\_\_

Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

January 2007 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
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
31	N/A	N/A	N/A
Period 6 High	N/A	N/A	N/A

Note: For the days of January 1-18, 2007 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

- 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. 3701  
 DECISION NO. 97-11-070

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
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TABLE OF CONTENTS

(Continued)

GT-SD	Intrastate Transmission Service .....	41398-G,30593-G,30594-G,36311-G
GT-PS	Peaking Service .....	41399-G,41400-G,41401-G,41402-G 41403-G,41404-G,35955-G,35956-G,37942-G
GW-LB	Wholesale Natural Gas Service .....	41405-G,38061-G,38062-G 38063-G,38064-G
GW-SD	Wholesale Natural Gas Service .....	41406-G,37949-G,37950-G 37951-G
GW-SWG	Wholesale Natural Gas Service .....	41407-G,37953-G,37954-G,37955-G
GW-VRN	Wholesale Natural Gas Service .....	41408-G,37957-G,37958-G 37959-G,37960-G
G-IMB	Transportation Imbalance Service .....	36312-G,41418-G,41419-G,41484-G 41485-G,36313-G,33498-G
G-ITC	Interconnect Access Service .....	32698-G,32699-G
G-BSS	Basic Storage Service .....	32700-G,32701-G,32702-G,32703-G 37961-G,37962-G,37963-G,37964-G
G-AUC	Auction Storage Service .....	32708-G,32709-G,32710-G,32711-G 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 .....	32724-G,32725-G,27374-G,27375-G 31929-G,36315-G,27378-G
G-CBS	UDC Consolidated Billing Service .....	34071-G,34072-G,34073-G,33095-G
G-PPPS	Public Purpose Programs Surcharge .....	41162-G,39517-G,39518-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account .....	40332-G
G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program .....	32828-G
G-MSUR	Transported Gas Municipal Surcharge .....	38761-G,25006-G
GIT	Interruptible Interutility Transportation .....	24567-G,24568-G
GLT	Long-Term Transportation of Customer-Owned Natural Gas .....	24569-G,24570-G,24571-G
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 .....	41409-G
G-PRK	Hub Parking .....	41410-G
G-WHL	Hub Wheeling .....	41411-G
G-FIG	Fiber Optic Cable in Gas Pipelines .....	40828-G,40829-G,40830-G,40831-G 40832-G,40833-G,40834-G,40835-G,40836-G,40837-G

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**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
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 RESOLUTION NO. \_\_\_\_\_

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.

GENERAL

Cal. P.U.C. Sheet No.

Title Page .....	40864-G
Table of Contents--General and Preliminary Statement .....	41487-G,41160-G,41416-G
Table of Contents--Service Area Maps and Descriptions .....	40434-G
Table of Contents--Rate Schedules .....	41477-G,41478-G,41486-G
Table of Contents--List of Cities and Communities Served .....	40149.1-G
Table of Contents--List of Contracts and Deviations .....	40149.1-G
Table of Contents--Rules .....	41236-G,41157-G
Table of Contents--Sample Forms .....	40358-G,39748-G,41336-G,41158-G,40128-G

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PRELIMINARY STATEMENT

Part I General Service Information .....	37917-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges .....	41458-G,41459-G,41460-G,41461-G,41354-G,41355-G 41462-G,40232-G,40233-G,41161-G,41427-G,41428-G,41359-G,41360-G
Part III Cost Allocation and Revenue Requirement .....	27024-G,37920-G,27026-G,27027-G,41361-G
Part IV Income Tax Component of Contributions and Advances .....	36614-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts .....	40865-G
Purchased Gas Account (PGA) .....	40866-G,40867-G
Core Fixed Cost Account (CFCA) .....	40868-G
Noncore Fixed Cost Account (NFCA) .....	40869-G
Enhanced Oil Recovery Account (EORA) .....	40870-G
Noncore Storage Balancing Account (NSBA) .....	40871-G
California Alternate Rates for Energy Account (CAREA) .....	40872-G,40873-G
Brokerage Fee Account (BFA) .....	40874-G
Hazardous Substance Cost Recovery Account (HSCRA) .....	40875-G, 40876-G,40877-G
Natural Gas Vehicle Account (NGVA) .....	40878-G,40879-G
El Paso Turned-Back Capacity Balancing Account (EPTCBA) .....	40880-G
Gas Cost Rewards and Penalties Account (GCRPA) .....	40881-G
Pension Balancing Account (PBA) .....	40882-G,40883-G

(Continued)

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**Lee Schavrien**  
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 Regulatory Affairs

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**ATTACHMENT C  
ADVICE NO. 3701  
RATE CALCULATION WORKPAPER  
DAILY BALANCING STANDBY RATE FILING  
EFFECTIVE JANUARY 1-18, 2007**

**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)**

<u>January Day</u>	<u>NGI's Price Index</u>	<u>Daily Balancing Standby Rates</u>		
		<u>Core Retail</u>	<u>Noncore Retail</u>	<u>Wholesale</u>
1	\$0.59200	\$0.90705	\$0.90770	\$0.90467
2	\$0.59200	\$0.90705	\$0.90770	\$0.90467
3	\$0.57900	\$0.88717	\$0.88782	\$0.88486
4	\$0.60500	\$0.92692	\$0.92757	\$0.92448
5	\$0.61200	\$0.93762	\$0.93827	\$0.93515
6	\$0.59300	\$0.90858	\$0.90923	\$0.90620
7	\$0.59300	\$0.90858	\$0.90923	\$0.90620
8	\$0.59300	\$0.90858	\$0.90923	\$0.90620
9	\$0.63000	\$0.96514	\$0.96579	\$0.96257
10	\$0.61800	\$0.94680	\$0.94745	\$0.94429
11	\$0.65500	\$1.00336	\$1.00401	\$1.00066
12	\$0.63700	\$0.97584	\$0.97649	\$0.97324
13	\$0.62300	\$0.95444	\$0.95509	\$0.95191
14	\$0.62300	\$0.95444	\$0.95509	\$0.95191
15	\$0.62300	\$0.95444	\$0.95509	\$0.95191
16	\$0.62300	\$0.95444	\$0.95509	\$0.95191
17	\$0.70300	\$1.07674	\$1.07739	\$1.07380
18	\$0.69000	\$1.05687	\$1.05752	\$1.05399