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PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 20, 2007

Advice Letter 3703

Mr. Sid Newsom  
Regulatory Tariff Administration  
Southern California Gas Company – GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-4957



Subject: December 2006 Standby Procurement Charges

Dear Mr. Newsom:

Advice Letter 3703 is effective January 23, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



**J. Steve Rahon**  
Director  
Tariffs & Regulatory Accounts

8330 Century Park Ct.  
San Diego, CA 92123-1548  
Tel: 858.654.1773  
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January 23, 2007

Advice No. 3703  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: December 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 December 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 December 2006 (covering the period December 1, 2006 to January 20, 2007), the highest daily border price index at the Southern California border is \$0.79475 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$1.19479 per therm for noncore retail service and all

wholesale service, and \$1.19414 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 Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto: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](mailto: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 January 23, 2007, 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 January 25, 2007.

### **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: \_\_\_\_\_

Contact Person: Connie Christensen

ELC

GAS

Phone #: (213) 244-3837

PLC

HEAT

WATER

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) #: 3703

Subject of AL: December 2006 Standby Procurement Charges

Keywords (choose from CPUC listing): Preliminary Statement, Procurement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

G-3316

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: 01/23/07

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: 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: 3693, 3697

**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. 3703**

**(See Attached Service List)**

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Alcantar & Kahl  
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ATTACHMENT B  
Advice No. 3703

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41488-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 41462-G
Revised 41489-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 41418-G
Revised 41490-G	TABLE OF CONTENTS	Revised 41486-G
Revised 41491-G	TABLE OF CONTENTS	Revised 41487-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 .....	2.756¢
ITCS-VRN .....	(0.033¢)

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm .....	54.884¢
Non-Residential Cross-Over Rate, per therm .....	61.900¢
Residential Core Procurement Charge, per therm .....	54.884¢
Residential Cross-Over Rate, per therm .....	61.900¢
Adjusted Core Procurement Charge, per therm .....	54.187¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

October 2006 .....	111.089¢
November 2006 .....	119.414¢
December 2006 .....	119.414¢

Noncore Retail Standby (SP-NR)

October 2006 .....	111.154¢
November 2006 .....	119.479¢
December 2006 .....	119.479¢

Wholesale Standby (SP-W)

October 2006 .....	111.154¢
November 2006 .....	119.479¢
December 2006 .....	119.479¢

Buy-Back Rate

Core and Noncore Retail (BR-R)

October 2006 .....	20.433¢
November 2006 .....	35.120¢
December 2006 .....	33.477¢

Wholesale (BR-W)

October 2006 .....	20.365¢
November 2006 .....	35.003¢
December 2006 .....	33.365¢

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3703  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jan 23, 2007  
 EFFECTIVE Jan 23, 2007  
 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 0.266¢ 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

October 2006 .....	111.089¢
November 2006 .....	119.414¢
December 2006 .....	119.414¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

October 2006 .....	111.154¢
November 2006 .....	119.479¢
December 2006 .....	119.479¢

Wholesale Service:

SP-W Standby Rate per therm

October 2006 .....	111.154¢
November 2006 .....	119.479¢
December 2006 .....	119.479¢

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)  
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**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3703  
 DECISION NO.  
 348

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jan 23, 2007  
 EFFECTIVE Jan 23, 2007  
 RESOLUTION NO. G-3316

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.

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(Continued)

(TO BE INSERTED BY UTILITY)  
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**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
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**ADVICE NO. 3703**

**RATE CALCULATION WORKPAPER  
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING  
EFFECTIVE DECEMBER 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 December 1, 2006.

**12/01/06 NGI’s Daily Gas Price Index (NDGPI) = \$0.7950 per therm**

**12/01/06 Gas Daily’s Daily Price Survey (GDDPS) = \$0.7945 per therm**

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

**HDBPI = \$0.79475 per therm**

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

**SP-CR = 150% x \$ 0.79475 + \$ 0.00201 = \$ 1.19414**

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

**SP-NR = 150% x \$ 0.79475 + \$ 0.00266 = \$ 1.19479**

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

**SP-W = 150% x \$ 0.79475 + \$ 0.00266 = \$ 1.19479**