

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 28, 2007

Advice Letter 3721

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



Subject: Daily Balancing Standby Rates for February 23 - 28, 2007

Dear Mr. Newsom:

Advice Letter 3721 is effective March 1, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director  
Energy Division



J. Steve Rahon  
Director  
Tariffs & Regulatory Accounts

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March 1, 2007

Advice No. 3721  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Daily Balancing Standby Rates for February 23 - 28, 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 February 23, 2007 through February 28, 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 February 1-28, 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 ([jni@cpuc.ca.gov](mailto:jni@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 March 1, 2007, which is the date filed, and are to be applicable to the period of February 23, 2007 through February 28, 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) #: 3721

Subject of AL: Daily Balancing Standby Rates for February 23-28, 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: 03/01/07

No. of tariff sheets: 3

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: 3698, 3705, 3709, 3712, 3715, 3717

**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. 3721**

**(See Attached Service List)**

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ATTACHMENT B  
Advice No. 3721

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41713-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5	Revised 41672-G
Revised 41714-G	TABLE OF CONTENTS	Revised 41678-G
Revised 41715-G	TABLE OF CONTENTS	Revised 41712-G

Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

February 2007 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
21	\$1.08133	\$1.08198	\$1.07837
22	\$1.10273	\$1.10338	\$1.09970
23	\$1.09203	\$1.09268	\$1.08904
24	\$1.09356	\$1.09421	\$1.09056
25	\$1.09356	\$1.09421	\$1.09056
Period 5 High	\$1.10273	\$1.10338	\$1.09970
26	\$1.09356	\$1.09421	\$1.09056
27	\$1.10885	\$1.10950	\$1.10580
28	\$1.08286	\$1.08351	\$1.07989
Period 6 High	\$1.10885	\$1.10950	\$1.10580

Note: For the days of February 1-28, 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. 3721  
 DECISION NO. 97-11-070

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Mar 1, 2007  
 EFFECTIVE Mar 1, 2007  
 RESOLUTION NO. \_\_\_\_\_

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3721  
 DECISION NO. 97-11-070

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ISSUED BY

**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Mar 1, 2007  
 EFFECTIVE Mar 1, 2007

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.

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3721  
 DECISION NO. 97-11-070

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Mar 1, 2007  
 EFFECTIVE Mar 1, 2007  
 RESOLUTION NO. \_\_\_\_\_

**ATTACHMENT C  
ADVICE NO. 3721  
RATE CALCULATION WORKPAPER  
DAILY BALANCING STANDBY RATE FILING  
EFFECTIVE FEBRUARY 1-28, 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>February 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	\$0.73900	\$1.13178	\$1.13243	\$1.12865
2	\$0.75400	\$1.15471	\$1.15536	\$1.15151
3	\$0.74800	\$1.14554	\$1.14619	\$1.14236
4	\$0.74800	\$1.14554	\$1.14619	\$1.14236
5	\$0.74800	\$1.14554	\$1.14619	\$1.14236
6	\$0.78800	\$1.20669	\$1.20734	\$1.20331
7	\$0.74600	\$1.14248	\$1.14313	\$1.13932
8	\$0.73500	\$1.12566	\$1.12631	\$1.12256
9	\$0.73800	\$1.13025	\$1.13090	\$1.12713
10	\$0.73800	\$1.13025	\$1.13090	\$1.12713
11	\$0.73800	\$1.13025	\$1.13090	\$1.12713
12	\$0.73800	\$1.13025	\$1.13090	\$1.12713
13	\$0.71300	\$1.09203	\$1.09268	\$1.08904
14	\$0.71600	\$1.09662	\$1.09727	\$1.09361
15	\$0.72600	\$1.11190	\$1.11255	\$1.10884
16	\$0.70800	\$1.08439	\$1.08504	\$1.08142
17	\$0.71000	\$1.08744	\$1.08809	\$1.08446
18	\$0.71000	\$1.08744	\$1.08809	\$1.08446
19	\$0.71000	\$1.08744	\$1.08809	\$1.08446
20	\$0.71000	\$1.08744	\$1.08809	\$1.08446
21	\$0.70600	\$1.08133	\$1.08198	\$1.07837
22	\$0.72000	\$1.10273	\$1.10338	\$1.09970
23	\$0.71300	\$1.09203	\$1.09268	\$1.08904
24	\$0.71400	\$1.09356	\$1.09421	\$1.09056
25	\$0.71400	\$1.09356	\$1.09421	\$1.09056
26	\$0.71400	\$1.09356	\$1.09421	\$1.09056
27	\$0.72400	\$1.10885	\$1.10950	\$1.10580
28	\$0.70700	\$1.08286	\$1.08351	\$1.07989