

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 2, 2007

Advice Letter 3745

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

Subject: Revised Retail and Wholesale Buy-Back Rates for May 2007

Dear Mr. Newsom:

Advice Letter 3745 is effective May 31, 2007.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division



Ken Deremer
Director
Tariffs & Regulatory Accounts

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May 31, 2007

Advice No. 3745
(U 904 G)

Public Utilities Commission of the State of California

Subject: May 2007 Buy-Back Rates

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 Buy-Back Rates in Schedule No. G-IMB for May 2007.

Background

As authorized in Schedule No. G-IMB - Transportation Imbalance Service, the Buy-Back Rates are established effective the last day of each month.

The Buy-Back Rates will be the lower of 1) the lowest incremental cost of gas purchased by Utility during the month the 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.

Information

During the month of May, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for May 2007 are being set accordingly. The workpaper showing details of the calculation of these rates is incorporated herein as Attachment C.

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets.

Pursuant to Resolution G-3316, the May 2007 Standby Procurement Charges will be filed by separate advice letter at least one day prior to June 25, 2007.

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 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) and to Honesto Gatchalian (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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that the tariff sheets filed herein be made effective May 31, 2007 to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3739, dated April 30, 2007.

Notice

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

KEN DEREMER
Director
Tariffs and Regulatory Accounts

Attachments

ATTACHMENT A

Advice No. 3745

(See Attached Service List)

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ATTACHMENT B
Advice No. 3745

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41920-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 41916-G
Revised 41921-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 41917-G
Revised 41922-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 41839-G
Revised 41923-G	TABLE OF CONTENTS	Revised 41918-G
Revised 41924-G	TABLE OF CONTENTS	Revised 41919-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	72.564¢
Non-Residential Cross-Over Rate, per therm	72.564¢
Residential Core Procurement Charge, per therm	72.564¢
Residential Cross-Over Rate, per therm	72.564¢
Adjusted Core Procurement Charge, per therm	72.363¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

March 2007	112.851¢	D
April 2007	115.364¢	
May 2007	TBD*	T

Noncore Retail Standby (SP-NR)

March 2007	112.916¢	D
April 2007	115.429¢	
May 2007	TBD*	T

Wholesale Standby (SP-W)

March 2007	112.916¢	D
April 2007	115.429¢	
May 2007	TBD*	T

*To be determined (TBD). Pursuant to Resolution G-3316, the May Standby Procurement Charge will be filed by separate advice letter at least one day prior to June 25.

Buy-Back Rate

Core and Noncore Retail (BR-R)

March 2007	36.440¢	D
April 2007	32.435¢	
May 2007	36.182¢	I

Wholesale (BR-W)

March 2007	36.318¢	D
April 2007	32.327¢	
May 2007	36.061¢	I

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3745
 DECISION NO. 89-11-060 & 90-09-089,
 748 et al.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 31, 2007
 EFFECTIVE May 31, 2007
 RESOLUTION NO. _____

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

March 2007	112.851¢	D
April 2007	115.364¢	T
May 2007	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

March 2007	112.916¢	D
April 2007	115.429¢	T
May 2007	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

March 2007	112.916¢	D
April 2007	115.429¢	T
May 2007	TBD*	T

*To be determined (TBD). Pursuant to Resolution G-3316, the May Standby Procurement Charge will be filed by separate advice letter at least one day prior to June 25.

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)

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm

March 2007	36.440¢	D
April 2007	32.435¢	I
May 2007	36.182¢	

Wholesale Service:

BR-W Buy-Back Rate, per therm

March 2007	36.318¢	D
April 2007	32.327¢	I
May 2007	36.061¢	

If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, Utility will provide CPUC the necessary work papers for such cost. Such documentation will be provided under confidentiality pursuant to General Order 66-C and Section 583 of the Public Utilities Code.

Daily Balancing Standby Rates

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 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.

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.

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.

(Continued)

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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
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G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program	32828-G
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GLT	Long-Term Transportation of Customer-Owned Natural Gas	24569-G,24570-G,24571-G
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GLT-2	Transportation of Customer-Owned Natural Gas	24578-G,24579-G,24580-G 24581-G,24582-G,24583-G
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G-PRK	Hub Parking	41410-G
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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.

GENERAL

Cal. P.U.C. Sheet No.

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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	41758-G,41157-G	
Table of Contents--Sample Forms	41661-G,39748-G,41266-G,41806-G,40128-G	

PRELIMINARY STATEMENT

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Part II Summary of Rates and Charges	41875-G,41876-G,41877-G,41878-G,41354-G,41355-G 41920-G,40232-G,40233-G,41161-G,41847-G,41848-G,41359-G,41360-G	T
Part III Cost Allocation and Revenue Requirement	27024-G,37920-G,27026-G,27027-G,41361-G	
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Part V Balancing Accounts		
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Noncore Fixed Cost Account (NFCA)	41659-G	
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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	
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(Continued)

ATTACHMENT C

ADVICE NO. 3745

**RATE CALCULATION WORKPAPER
BASED ON ADVICE NO. 3739
ADJUSTED CORE PROCUREMENT CHARGE FILING
EFFECTIVE MAY 1, 2007**

Adjusted Core Procurement Charge:

Retail G-CPA: 72.363¢ per therm
(WACOG: 71.001¢ + Franchise and Uncollectibles:
1.362¢ or [1.9187% * 71.001¢])

Wholesale G-CPA: 72.121¢ per therm
(WACOG: 71.001¢ + Franchise:
1.120¢ or [1.5779% * 71.001¢])

G-IMB Buy-Back Rates:

BR-R = 50% of Retail G-CPA:
50% * 72.363 cents/therm = **36.182** cents/therm

BR-W = 50% of Wholesale G-CPA:
50% * 72.121 cents/therm = **36.061** cents/therm