

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 19, 2007

Advice Letter 3754

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

Subject: May 2007 Standby Procurement Charges

Dear Mr. Newsom:

Advice Letter 3754 is effective June 21, 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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San Diego, CA 92123-1548
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KDeremer@SempraUtilities.com

June 21, 2007

Advice No. 3754
(U 904 G)

Public Utilities Commission of the State of California

Subject: May 2007 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 May 2007.

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 May 2007 (covering the period May 1, 2007 to June 20, 2007), the highest daily border price index at the Southern California border is \$0.76775 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above,

are \$1.15429 per therm for noncore retail service and all wholesale service, and \$1.15364 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) and Honesto Gatchalian (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

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 June 21, 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 June 25, 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

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: Nena Maralit

ELC

GAS

Phone #: (213) 244-2822

PLC

HEAT

WATER

E-mail: nmaralit@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) #: 3754

Subject of AL: May 2007 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 No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Resolution Required? Yes No

Requested effective date: 06/21/07

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: Preliminary Statement, Part II; Schedule G-IMB; and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 3744, 3745

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

mas@cpuc.ca.gov and gnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West Fifth Street, ML GT14D6

Los Angeles, CA 90013-4957

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3754

(See Attached Service List)

Aglet Consumer Alliance
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Alcantar & Kahl
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ATTACHMENT B
Advice No. 3754

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|---|-------------------------------------|
| Revised 42013-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7 | Revised 41976-G |
| Revised 42014-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2 | Revised 41921-G |
| Revised 42015-G | TABLE OF CONTENTS | Revised 41923-G |
| Revised 42016-G | TABLE OF CONTENTS | Revised 41993-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 | 74.410¢ |
| Non-Residential Cross-Over Rate, per therm | 74.410¢ |
| Residential Core Procurement Charge, per therm | 74.410¢ |
| Residential Cross-Over Rate, per therm | 74.410¢ |
| Adjusted Core Procurement Charge, per therm | 74.209¢ |

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

| | |
|------------------|----------|
| March 2007 | 112.851¢ |
| April 2007 | 115.364¢ |
| May 2007 | 115.364¢ |

Noncore Retail Standby (SP-NR)

| | |
|------------------|----------|
| March 2007 | 112.916¢ |
| April 2007 | 115.429¢ |
| May 2007 | 115.429¢ |

Wholesale Standby (SP-W)

| | |
|------------------|----------|
| March 2007 | 112.916¢ |
| April 2007 | 115.429¢ |
| May 2007 | 115.429¢ |

Buy-Back Rate

Core and Noncore Retail (BR-R)

| | |
|------------------|---------|
| March 2007 | 36.440¢ |
| April 2007 | 32.435¢ |
| May 2007 | 36.182¢ |

Wholesale (BR-W)

| | |
|------------------|---------|
| March 2007 | 36.318¢ |
| April 2007 | 32.327¢ |
| May 2007 | 36.061¢ |

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D

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3754
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 21, 2007
 EFFECTIVE Jun 21, 2007
 RESOLUTION NO. G-3316

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¢ |
| April 2007 | 115.364¢ |
| May 2007 | 115.364¢ |

Noncore Retail Service:

SP-NR Standby Rate, per therm

| | |
|------------------|----------|
| March 2007 | 112.916¢ |
| April 2007 | 115.429¢ |
| May 2007 | 115.429¢ |

Wholesale Service:

SP-W Standby Rate per therm

| | |
|------------------|----------|
| March 2007 | 112.916¢ |
| April 2007 | 115.429¢ |
| May 2007 | 115.429¢ |

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)

ADVICE LETTER NO. 3754
 DECISION NO.

2H8

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 21, 2007
 EFFECTIVE Jun 21, 2007
 RESOLUTION NO. G-3316

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(Continued)

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| 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 41257-G,41717-G,41718-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,42014-G,41922-G,41760-G 41802-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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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3754
 DECISION NO.
 3H9

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 21, 2007
 EFFECTIVE Jun 21, 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.

| <u>GENERAL</u> | <u>Cal. P.U.C. Sheet No.</u> |
|--|---|
| Title Page | 40864-G |
| Table of Contents--General and Preliminary Statement | 42016-G,41495-G,41416-G |
| Table of Contents--Service Area Maps and Descriptions | 40434-G |
| Table of Contents--Rate Schedules | 41991-G,41992-G,42015-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 | 41758-G,41157-G |
| Table of Contents--Sample Forms | 41914-G,39748-G,41266-G,41806-G,40128-G |

PRELIMINARY STATEMENT

| | |
|--|--|
| Part I General Service Information | 37917-G,24332-G,24333-G,24334-G,24749-G |
| Part II Summary of Rates and Charges | 41972-G,41973-G,41974-G,41975-G,41354-G,41355-G 42013-G,40232-G,40233-G,41161-G,41930-G,41931-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) | 41658-G |
| Noncore Fixed Cost Account (NFCA) | 41659-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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3754
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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 RESOLUTION NO. G-3316

ADVICE NO. 3754

**RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING
EFFECTIVE MAY 2007**

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 May 15, 2007.

05/15/07 NGI’s Daily Gas Price Index (NDGPI) = \$0.7680 per therm

05/15/07 Gas Daily’s Daily Price Survey (GDDPS) = \$0.7675 per therm

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

HDBPI = \$0.76775 per therm

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

SP-CR = 150% x \$ 0.76775 + \$ 0.00201 = \$ 1.15364

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

SP-NR = 150% x \$ 0.76775 + \$ 0.00266 = \$ 1.15429

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

SP-W = 150% x \$ 0.76775 + \$ 0.00266 = \$ 1.15429