

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 24, 2007

Advice Letter 3776

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

Subject: September 2007 Buy-Back Rates

Dear Mr. Newsom:

Advice Letter 3776 is effective September 30, 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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September 28, 2007

Advice No. 3776
(U 904 G)

Public Utilities Commission of the State of California

Subject: September 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 September 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 September, the lowest incremental cost of gas, which is 1.644 cents per therm, is lower than 50% of the Adjusted Core Procurement Charge, G-CPA. Therefore, the Buy-Back Rates for September 2007 are being set at the lowest incremental cost of gas. 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 September 2007 Standby Procurement Charges will be filed by separate advice letter at least one day prior to September 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 (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

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B and therefore respectfully requests that the tariff sheets filed herein be made effective September 30, 2007, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3770, dated August 31, 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 904G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@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) #: 3776

Subject of AL: September 2007 Buy Back Rates

Keywords (choose from CPUC listing): Preliminary Statement, Core, Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

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

D89-11-060 and D90-09-089, et al.

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

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: September 30, 2007

No. of tariff sheets: 5

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: 3769

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 Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3776

(See Attached Service List)

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ATTACHMENT B
Advice No. 3776

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 42356-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 42336-G
Revised 42357-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 42337-G
Revised 42358-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 42173-G
Revised 42359-G	TABLE OF CONTENTS	Revised 42338-G
Revised 42360-G	TABLE OF CONTENTS	Revised 42339-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	51.238¢
Non-Residential Cross-Over Rate, per therm	51.238¢
Residential Core Procurement Charge, per therm	51.238¢
Residential Cross-Over Rate, per therm	51.238¢
Adjusted Core Procurement Charge, per therm	51.037¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

July 2007	100.139¢	D
August 2007	100.139¢	
September 2007	TBD*	T

Noncore Retail Standby (SP-NR)

July 2007	100.204¢	D
August 2007	100.204¢	
September 2007	TBD*	T

Wholesale Standby (SP-W)

July 2007	100.204¢	D
August 2007	100.204¢	
September 2007	TBD*	T

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

Buy-Back Rate

Core and Noncore Retail (BR-R)

July 2007	33.950¢	D
August 2007	7.204¢	
September 2007	1.644¢	R

Wholesale (BR-W)

July 2007	33.836¢	D
August 2007	7.204¢	
September 2007	1.644¢	R

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3776
 DECISION NO. 89-11-060 & 90-09-089,
 et al.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 28, 2007
 EFFECTIVE Sep 30, 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

July 2007	100.139¢	D
August 2007	100.139¢	T
September 2007	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

July 2007	100.204¢	D
August 2007	100.204¢	T
September 2007	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

July 2007	100.204¢	D
August 2007	100.204¢	T
September 2007	TBD*	T

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

July 2007	33.950¢	D
August 2007	7.204¢	R
September 2007	1.644¢	

Wholesale Service:

BR-W Buy-Back Rate, per therm

July 2007	33.836¢	D
August 2007	7.204¢	R
September 2007	1.644¢	

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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GW-SWG	Wholesale Natural Gas Service	41407-G,37953-G,37954-G,37955-G
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G-IMB	Transportation Imbalance Service	36312-G,42357-G,42358-G,41760-G 41802-G,36313-G,33498-G
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G-AUC	Auction Storage Service	32708-G,32709-G,32710-G,32711-G 32712-G,32713-G,36314-G,32715-G
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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-PPPS	Public Purpose Programs Surcharge	41162-G,39517-G,39518-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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T

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.

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Table of Contents--Rate Schedules	42228-G,42229-G,42359-G	T
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	42092-G,41996-G	
Table of Contents--Sample Forms	41914-G,39748-G,41266-G,42011-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	42209-G,42210-G,42211-G,42212-G,41354-G,41355-G 42356-G,40232-G,40233-G,41999-G,42181-G,42182-G,41359-G,41360-G	T
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		
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California Alternate Rates for Energy Account (CAREA)	40872-G,40873-G	
Brokerage Fee Account (BFA)	40874-G	
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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. 3776
 DECISION NO. 89-11-060 & 90-09-089,
 et al.

1H7

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 28, 2007
 EFFECTIVE Sep 30, 2007
 RESOLUTION NO. _____

ATTACHMENT C

ADVICE NO. 3776

**RATE CALCULATION WORKPAPER
BASED ON ADVICE NO. 3770
ADJUSTED CORE PROCUREMENT CHARGE FILING
EFFECTIVE SEPTEMBER 1, 2007**

Adjusted Core Procurement Charge:

Retail G-CPA: 51.037 ¢ per therm
(WACOG: 50.076 ¢ + Franchise and Uncollectibles:
0.961 ¢ or [1.9187% * 50.076 ¢])

Wholesale G-CPA: 50.866 ¢ per therm
(WACOG: 50.076 ¢ + Franchise:
0.790 ¢ or [1.5779% * 50.076 ¢])

GIMB Buy-Back Rates

Lowest incremental cost of gas purchased during September 2007 is
1.644 cents/therm, which is lower than the following:

BR-R = 50% of Retail G-CPA:
50% * 51.037 cents/therm = **25.519** cents/therm

BR-W = 50% of Wholesale G-CPA:
50% * 50.866 cents/therm = **25.433** cents/therm

Therefore: **BR-R** and **BR-W** = **1.644** cents/therm