PUBLIC UTILITIES COMMISSION 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298 ARNOLD SCHWARZENEGGER, Governor



December 3, 2007

Advice Letter 3784

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

Subject: October 2007 Buy-Back Rates

Dear Mr. Newsom:

Advice Letter 3784 is effective October 31, 2007.

Sincerely,

5 V SalpL

Sean H. Gallagher, Director Energy Division



Ken Deremer Director Tariffs & Regulatory Accounts

8330 Century Park Court CP32C San Diego, CA 92123-1548 Tel: 858.654.1756 Fax 858.654.1788 KDeremer@SempraUtilities.com

October 31, 2007

Advice No. 3784 (U 904 G)

Public Utilities Commission of the State of California

## Subject: October 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 October 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 October, the lowest incremental cost of gas, which is 13.110 cents per therm, is lower than 50% of the Adjusted Core Procurement Charge, G-CPA. Therefore, the Buy-Back Rates for October 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. In Platts' *Gas Daily's* Daily Price Survey – SoCal Gas, Midpoint, the language, "large pkgs," has been deleted. Following the above change, the language, "large pkgs," in Schedule No. G-IMB, Transportation Imbalance Service, Rates, Standby Procurement Charge, has been deleted from the "*Gas Daily's* Daily Price Survey – SoCal Gas, Midpoint" reference.

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

Pursuant to Resolution G-3316, the October 2007 Standby Procurement Charges will be filed by separate advice letter at least one day prior to November 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 (<u>mas@cpuc.ca.gov</u>) and to Honesto Gatchalian (<u>inj@cpuc.ca.gov</u>) of the Energy Division. A copy of the protest should also be sent via both e-mail <u>and</u> 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: <u>snewsom@SempraUtilities.com</u>

#### **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 October 31, 2007, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3777, dated September 28, 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. SO					
Utility type:	Contact Person: <u>Sid Newsom</u>				
$\Box$ ELC $\boxtimes$ GAS	Phone #: (213) <u>24</u>				
PLC       HEAT       WATER       E-mail: SNewsom@semprautilities.com					
EXPLANATION OF UTILITY TY	PE	(Date Filed/ Received Stamp by CPUC)			
ELC = ElectricGAS = GasPLC = PipelineHEAT = HeatWATER = Water					
Advice Letter (AL) #: <u>3784</u>					
Subject of AL: <u>October 2007 Buy Ba</u>	ack Rates				
Keywords (choose from CPUC listing)	: Preliminary Sta	tement, Core, Compliance			
AL filing type: 🛛 Monthly 🗌 Quarter	rly 🗌 Annual 🗌 C	Dne-Time 🗌 Other			
If AL filed in compliance with a Com	v				
	cted AL? If so, ide	ntify the prior AL <u>No</u>			
-		ithdrawn or rejected AL <sup>1</sup> : <u>N/A</u>			
	I	5			
Does AL request confidential treatme	ent? If so, provide e	explanation: No			
Resolution Required?  Yes  No		Tier Designation: 🛛 1 🗌 2 🔲 3			
Requested effective date: <u>October 31, 20</u> 07 No. of tariff sheets: <u>5</u>		No. of tariff sheets: <u>5</u>			
Estimated system annual revenue eff	fect: (%): <u>N/A</u>				
Estimated system average rate effect	(%): <u>N/A</u>				
		L showing average rate effects on customer			
classes (residential, small commercia	al, large C/I, agricu	ıltural, lighting).			
Tariff schedules affected: <u>Preliminar</u>	y Statement, Part	II; Schedule G-IMB; and TOCs			
Service affected and changes proposed <sup>1</sup> : <u>N/A</u>					
Pending advice letters that revise the same tariff sheets: <u>3782</u>					
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		Southern California Gas Company			
Attention: Tariff Unit 505 Van Ness Ave.,		Attention: Sid Newsom 555 West 5 <sup>th</sup> Street, GT14D6			
Son Francisco, CA 94102		Los Angeles, CA 90013-1011			
mas@cpuc.ca.gov and jnj@cpuc.ca.gov		SNewsom@semprautilities.com			

 $^{\scriptscriptstyle 1}$  Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3784

(See Attached Service List)

#### Advice Letter Distribution List - Advice 3784

Aglet Consumer Alliance James Weil jweil@aglet.org

Ancillary Services Coalition Jo Maxwell jomaxwell@ascoalition.com

BP Amoco, Reg. Affairs Marianne Jones 501 West Lake Park Blvd. Houston, TX 77079

CPUC Consumer Affairs Branch 505 Van Ness Ave., #2003 San Francisco, CA 94102

CPUC - DRA Galen Dunham gsd@cpuc.ca.gov

California Energy Market Lulu Weinzimer Iuluw@newsdata.com

City of Azusa Light & Power Dept. 215 E. Foothill Blvd. Azusa, CA 91702

City of Colton Thomas K. Clarke 650 N. La Cadena Drive Colton, CA 92324

City of Pasadena - Water and Power Dept. G Bawa GBawa@cityofpasadena.net

Commerce Energy Brian Patrick BPatrick@commerceenergy.com Alcantar & Kahl Elizabeth Westby egw@a-klaw.com

Ancillary Services Coalition Nick Planson nplanson@ascoalition.com

Barkovich & Yap Catherine E. Yap ceyap@earthlink.net

CPUC Pearlie Sabino pzs@cpuc.ca.gov

CPUC - DRA R. Mark Pocta rmp@cpuc.ca.gov

Calpine Corp Avis Clark aclark@calpine.com

City of Banning Paul Toor P. O. Box 998 Banning, CA 92220

City of Long Beach, Gas & Oil Dept. Chris Garner 2400 East Spring Street Long Beach, CA 90806

City of Riverside Joanne Snowden jsnowden@riversideca.gov

Commerce Energy Tony Cusati TCusati@commerceenergy.com Alcantar & Kahl Kari Harteloo klc@a-klaw.com

Ancillary Services Coalition Terry Rich TRich@ascoalition.com

Beta Consulting John Burkholder burkee@cts.com

CPUC Energy Rate Design & Econ. 505 Van Ness Ave., Rm. 4002 San Francisco, CA 94102

CPUC - DRA Jacqueline Greig jnm@cpuc.ca.gov

City of Anaheim Ben Nakayama Public Utilities Dept. P. O. Box 3222 Anaheim, CA 92803

City of Burbank Fred Fletcher/Ronald Davis 164 West Magnolia Blvd., Box 631 Burbank, CA 91503-0631

City of Los Angeles City Attorney 200 North Main Street, 800 Los Angeles, CA 90012

City of Vernon Daniel Garcia dgarcia@ci.vernon.ca.us

Commerce Energy Glenn Kinser gkinser@commerceenergy.com

#### Advice Letter Distribution List - Advice 3784

Commerce Energy Lynelle Lund Ilund@commerceenergy.com

Culver City Utilities Heustace Lewis Heustace.Lewis@culvercity.org

Davis, Wright, Tremaine Judy Pau judypau@dwt.com

Douglass & Liddell Donald C. Liddell liddell@energyattorney.com

Dynegy Joseph M. Paul jmpa@dynegy.com

General Services Administration Facilities Management (9PM-FT) 450 Golden Gate Ave. San Francisco, CA 94102-3611

Hanna & Morton Norman A. Pedersen, Esq. npedersen@hanmor.com

Jeffer, Mangels, Butler & Marmaro 2 Embarcaero Center, 5th Floor San Francisco, CA 94111

LADWP Randy Howard P. O. Box 51111, Rm. 956 Los Angeles, CA 90051-0100

Luce, Forward, Hamilton & Scripps John Leslie jleslie@luce.com County of Los Angeles Stephen Crouch 1100 N. Eastern Ave., Room 300 Los Angeles, CA 90063

DGS Henry Nanjo Henry.Nanjo@dgs.ca.gov

Dept. of General Services Celia Torres celia.torres@dgs.ca.gov

Downey, Brand, Seymour & Rohwer Ann Trowbridge atrowbridge@downeybrand.com

Gas Purchasing BC Gas Utility Ltd. 16705 Fraser Highway Surrey, British Columbia, V3S 2X7

Goodin, MacBride, Squeri, Ritchie & Day, LLP J. H. Patrick hpatrick@gmssr.com

Imperial Irrigation District K. S. Noller P. O. Box 937 Imperial, CA 92251

Kern River Gas Transmission Company Janie Nielsen Janie.Nielsen@KernRiverGas.com

Law Offices of Diane I. Fellman Diane Fellman diane\_fellman@fpl.com

MRW & Associates Robert Weisenmiller mrw@mrwassoc.com Crossborder Energy Tom Beach tomb@crossborderenergy.com

Davis Wright Tremaine, LLP Edward W. O'Neill One Embarcadero Center, #600 San Francisco, CA 94111-3834

Douglass & Liddell Dan Douglass douglass@energyattorney.com

Downey, Brand, Seymour & Rohwer Dan Carroll dcarroll@downeybrand.com

Gas Transmission Northwest Corporation Bevin Hong Bevin\_Hong@transcanada.com

Goodin, MacBride, Squeri, Ritchie & Day, LLP James D. Squeri jsqueri@gmssr.com

JBS Energy Jeff Nahigian jeff@jbsenergy.com

LADWP Nevenka Ubavich nevenka.ubavich@ladwp.com

Law Offices of William H. Booth William Booth wbooth@booth-law.com

Manatt Phelps Phillips Randy Keen rkeen@manatt.com Manatt, Phelps & Phillips, LLP David Huard dhuard@manatt.com

Julie Morris Julie.Morris@PPMEnergy.com

Pacific Gas & Electric Co. John Clarke jpc2@pge.com

R. W. Beck, Inc. Catherine Elder celder@rwbeck.com

Sempra Global William Tobin wtobin@sempraglobal.com

Southern California Edison Co Karyn Gansecki 601 Van Ness Ave., #2040 San Francisco, CA 94102

Southern California Edison Co. John Quinlan john.quinlan@sce.com

Suburban Water System Bob Kelly 1211 E. Center Court Drive Covina, CA 91724

TURN Mike Florio mflorio@turn.org March Joint Powers Authority Lori Stone PO Box 7480, Moreno Valley, CA 92552

National Utility Service, Inc. Jim Boyle One Maynard Drive, P. O. Box 712 Park Ridge, NJ 07656-0712

Praxair Inc Rick Noger rick\_noger@praxair.com

Regulatory & Cogen Services, Inc. Donald W. Schoenbeck 900 Washington Street, #780 Vancouver, WA 98660

Sierra Pacific Company Christopher A. Hilen chilen@sppc.com

Southern California Edison Co. Colin E. Cushnie Colin.Cushnie@SCE.com

Southern California Edison Company Michael Alexander Michael.Alexander@sce.com

Sutherland, Asbill & Brennan Keith McCrea kmccrea@sablaw.com

The Mehle Law Firm PLLC Colette B. Mehle cmehle@mehlelaw.com Matthew Brady & Associates Matthew Brady matt@bradylawus.com

PG&E Tariffs Pacific Gas and Electric PGETariffs@pge.com

Questar Southern Trails Lenard Wright Lenard.Wright@Questar.com

Richard Hairston & Co. Richard Hairston hairstonco@aol.com

Southern California Edison Co Fileroom Supervisor 2244 Walnut Grove Ave., Rm 290, GO1 Rosemead, CA 91770

Southern California Edison Co. Kevin Cini Kevin.Cini@SCE.com

Southwest Gas Corp. John Hester P. O. Box 98510 Las Vegas, NV 89193-8510

TURN Marcel Hawiger marcel@turn.org

Western Manufactured Housing Communities Assoc. Sheila Day sheila@wma.org

## ATTACHMENT B Advice No. 3784

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 42424-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 42416-G
Revised 42425-G	Schedule No. G-IMB, TRANSPORTATION	Revised 42417-G
Revised 42426-G	IMBALANCE SERVICE, Sheet 2 Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 42358-G
Revised 42427-G	TABLE OF CONTENTS	Revised 42418-G
Revised 42428-G	TABLE OF CONTENTS	Revised 42419-G

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P

LOS ANGELES, CALIFORNIA CANCELING

l cal. p.u.c. sheet no. 42424-G l cal. p.u.c. sheet no. 42416-G

CANCELING Revised CAL. P.U.C. SHEET NO. 42416-G
PRELIMINARY STATEMENT
<u>PART II</u>
<u>MARY OF RATES AND CHARGES</u>

# SUMMARY OF RATES AND CHARGES (Continued) WHOLESALE SERVICE (Continued) Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10) PROCUREMENT CHARGE Schedule G-CP Non-Residential Cross-Over Rate, per therm ...... 57.262¢ Residential Cross-Over Rate, per therm ...... 57.262¢ Adjusted Core Procurement Charge, per therm ...... 56.409¢ **IMBALANCE SERVICE** Standby Procurement Charge Core Retail Standby (SP-CR) August 2007 ..... 100.139¢ October 2007 ..... TBD\* Noncore Retail Standby (SP-NR) September 2007 ...... 105.716¢ October 2007 ..... TBD\* Wholesale Standby (SP-W) August 2007 ...... 100.204¢ September 2007 ...... 105.716¢ October 2007 ..... TBD\* \*To be determined (TBD). Pursuant to Resolution G-3316, the October Standby Procurement Charge will be filed by separate advice letter at least one day prior to November 25. **Buy-Back Rate** Core and Noncore Retail (BR-R) August 2007 ...... 7.204¢ September 2007 ..... 1.644¢ Wholesale (BR-W) August 2007 ...... 7.204¢ September 2007 ..... 1.644¢

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3784 DECISION NO. 89-11-060 & 90-09-089, 7HB et al. (Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Oct 31, 2007</u> EFFECTIVE <u>Oct 31, 2007</u> RESOLUTION NO. D

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LOS ANGELES, CALIFORNIA CANCELING

42425-G 42417-G CAL. P.U.C. SHEET NO.

#### Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

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(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  $0.201 \not\in$  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, Midpoint."

Core Retail Service:	
SP-CR Standby Rate, per therm	
August 2007	100.139¢
September 2007	
October 2007	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
August 2007	100.204¢
September 2007	105.716¢
October 2007	
Wholesale Service:	
SP-W Standby Rate per therm	
August 2007	100.204¢
September 2007	105.716¢
October 2007	

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

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

# Revised 42426-G CAL. P.U.C. SHEET NO. Revised 42358-G LOS ANGELES, CALIFORNIA CANCELING CAL. P.U.C. SHEET NO. Schedule No. G-IMB Sheet 3 TRANSPORTATION IMBALANCE SERVICE (Continued) RATES (Continued) Buy-Back Rate (Continued) **Retail Service:** BR-R Buy-Back Rate, per therm August 2007 ...... 7.204¢ September 2007 ..... 1.644¢ Wholesale Service: BR-W Buy-Back Rate, per therm 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.

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3784 DECISION NO. 89-11-060 & 90-09-089. et al. 3H8

(Continued) ISSUED BY Lee Schavrien Senior Vice President **Regulatory Affairs** 

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

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#### TABLE OF CONTENTS

#### (Continued)

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,42425-G,42426-G,41760-G
	41802-G,36313-G,33498-G
G-ITC	Interconnect Access Service
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 42000-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

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Oct 31, 2007</u> EFFECTIVE <u>Oct 31, 2007</u> 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.

#### **GENERAL**

Cal. P.U.C. Sheet No.

Title Page	
Table of ContentsGeneral and Preliminary Statement    42428-G,42008-G,42059-G	Т
Table of ContentsService Area Maps and Descriptions    41970-G	
Table of ContentsRate Schedules    42413-G,42414-G,42427-G	Т
Table of ContentsList of Cities and Communities Served    40149.1-G	
Table of ContentsList of Contracts and Deviations    40149.1-G	
Table of ContentsRules    42169-G,41996-G	
Table of ContentsSample 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	
42424-G,40232-G,40233-G,41999-G,42366-G,42367-G,41359-G,41360-G	Т
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	
Part V Balancing Accounts	
Description and Listing of Balancing Accounts 40865-G	
Purchased Gas Account (PGA)	
Core Fixed Cost Account (CFCA)	
Noncore Fixed Cost Account (NFCA)	
Enhanced Oil Recovery Account (EORA)	
Noncore Storage Balancing Account (NSBA) 40871-G	
California Alternate Rates for Energy Account (CAREA) 40872-G,40873-G	
Brokerage Fee Account (BFA)	
Hazardous Substance Cost Recovery Account (HSCRA) 40875-G, 40876-G, 40877-G	
Natural Gas Vehicle Account (NGVA)	
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)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED Oct 31, 2007 EFFECTIVE Oct 31, 2007 RESOLUTION NO.

## ATTACHMENT C

#### **ADVICE NO. 3784**

## RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3777 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE OCTOBER 1, 2007

#### Adjusted Core Procurement Charge:

 Retail G-CPA:
 56.409 ¢ per therm

 (WACOG: 55.347 ¢ + Franchise and Uncollectibles:
 1.062 ¢ or [ 1.9187% \* 55.347 ¢ ] )

 Wholesale G-CPA:
 56.220 ¢ per therm

 (WACOG:
 55.347 ¢ + Franchise:

 0.873 ¢ or
 [

 1.5779% \*
 55.347 ¢ ]

#### **GIMB Buy-Back Rates**

Lowest incremental cost of gas purchased during October 2007 is <u>13.110</u> cents/therm, which is lower than the following:

**BR-R** = 50% of Retail G-CPA: 50% \* 56.409 cents/therm = **28.205** cents/therm

**BR-W** = 50% of Wholesale G-CPA: 50% \* 56.220 cents/therm = **28.110** cents/therm

Therefore: **BR-R** and **BR-W** = <u>13.110</u> cents/therm