PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



January 17, 2008

Advice Letter 3805

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

Subject: November 2007 Standby Procurement Charges

Dear Mr. Newsom:

Advice Letter 3805 is effective December 21, 2007.

Sincerely,

Sean H. Gallagher, Director

Energy Division

I W Shalp L





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

December 21, 2007

Advice No. 3805 (U 904 G)

Public Utilities Commission of the State of California

Subject: November 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 November 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 Midpoint."
- 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 November 2007 (covering the period November 1, 2007, to December 20, 2007), the highest daily border price index at the Southern California border is \$0.72825 per therm. The resultant Standby Procurement Charges, calculated in

the manner set forth above, are \$1.09504 per therm for noncore retail service and all wholesale service, and \$1.09439 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 (inj@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 Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SoCalGas respectfully requests that the tariff sheets filed herein be made effective December 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 December 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 COMPLET | ΓED BY UTILITY (At | tach additional pages as needed) |
|---|-------------------------------|---|
| Company name/CPUC Utility No. SOUTHERN CALIFORNIA GAS COMPANY (U 904G) | | |
| tility type: Contact Person: <u>Sid Newsom</u> | | |
| ☐ ELC | Phone #: (213) 244-2846 | |
| ☐ PLC ☐ HEAT ☐ WATER | E-mail: SNewsom | @semprautilities.com |
| EXPLANATION OF UTILITY TY | PE | (Date Filed/ Received Stamp by CPUC) |
| ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water | | |
| Advice Letter (AL) #: 3805 | • | |
| Subject of AL: November 2007 Stand | — lby Procurement C | Charges |
| | | |
| Keywords (choose from CPUC listing) | : Preliminary Sta | tement; Procurement |
| AL filing type: ⊠ Monthly □ Quarter | ·ly 🗌 Annual 🗌 C | One-Time 🗌 Other |
| If AL filed in compliance with a Comp _G-3316 | nission order, indi | cate relevant Decision/Resolution #: |
| | ted AL? If so, ider | ntify the prior AL <u>No</u> |
| Summarize differences between the A | L and the prior wi | ithdrawn or rejected AL¹: <u>N/A</u> |
| | | |
| Does AL request confidential treatme | nt? If so, provide ϵ | explanation: No |
| Resolution Required? Yes No | | Tier Designation: 🛛 1 🔲 2 🔲 3 |
| Requested effective date: <u>December 21, 2</u> 007 No. of tariff sheets: <u>4</u> | | |
| Estimated system annual revenue eff | ect: (%): <u>N/A</u> | |
| Estimated system average rate effect | (%): <u>N/A</u> | |
| When rates are affected by AL, include attachment in AL showing average rate effects on customer | | |
| classes (residential, small commercia | | |
| Tariff schedules affected: Preliminary Statement, Part II; Schedule G-IMB; and TOCs | | |
| Service affected and changes proposed ¹ : N/A | | |
| Pending advice letters that revise the same tariff sheets: <u>3796</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 | | Attention: Sid Newsom |
| 505 Van Ness Ave., San Francisco, CA 94102 | | 555 West 5 th Street, GT14D6 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. 3805

(See Attached Service List)

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 luluw@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

County of Los Angeles Commerce Energy Crossborder Energy Lynelle Lund Stephen Crouch Tom Beach Ilund@commerceenergy.com 1100 N. Eastern Ave., Room 300 tomb@crossborderenergy.com Los Angeles, CA 90063 **Culver City Utilities** DGS **Davis Wright Tremaine, LLP Heustace Lewis Henry Nanjo** Edward W. O'Neill Heustace.Lewis@culvercity.org Henry.Nanjo@dgs.ca.gov 505 Montgomery Street, Ste 800 San Francisco, CA 94111 Davis, Wright, Tremaine **Dept. of General Services** Douglass & Liddell Judy Pau **Celia Torres** Dan Douglass judypau@dwt.com celia.torres@dgs.ca.gov douglass@energyattorney.com **Douglass & Liddell** Downey, Brand, Seymour & Rohwer Downey, Brand, Seymour & Rohwer Donald C. Liddell **Ann Trowbridge** Dan Carroll liddell@energyattorney.com atrowbridge@downeybrand.com dcarroll@downeybrand.com **Gas Purchasing Gas Transmission Northwest Dynegy** Corporation Joseph M. Paul BC Gas Utility Ltd. Bevin Hong impa@dynegy.com 16705 Fraser Highway Bevin Hong@transcanada.com Surrey, British Columbia, V3S 2X7 **General Services Administration** Goodin, MacBride, Squeri, Ritchie & Goodin, MacBride, Squeri, Ritchie & Day, LLP Day, LLP **Facilities Management (9PM-FT)** J. H. Patrick James D. Squeri 450 Golden Gate Ave. hpatrick@gmssr.com jsqueri@gmssr.com San Francisco, CA 94102-3611 **Hanna & Morton Imperial Irrigation District** JBS Energy Norman A. Pedersen, Esq. K. S. Noller Jeff Nahigian npedersen@hanmor.com P. O. Box 937 jeff@jbsenergy.com Imperial, CA 92251 Jeffer, Mangels, Butler & Marmaro **Kern River Gas Transmission Company LADWP** 2 Embarcaero Center, 5th Floor Janie Nielsen Nevenka Ubavich Janie.Nielsen@KernRiverGas.com San Francisco, CA 94111 nevenka.ubavich@ladwp.com **LADWP** Law Offices of Diane I. Fellman Law Offices of William H. Booth

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

Luce, Forward, Hamilton & Scripps John Leslie jleslie@luce.com

Diane Fellman diane_fellman@fpl.com

MRW & Associates Robert Weisenmiller mrw@mrwassoc.com 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** National Utility Service, Inc. 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

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

Michael Alexander Michael.Alexander@sce.com

Sutherland, Asbill & Brennan

Southern California Edison Company

Keith McCrea kmccrea@sablaw.com

The Mehle Law Firm PLLC Colette B. Mehle cmehle@mehlelaw.com

Matthew Brady & Associates Matthew Brady matt@bradylawus.com

Pacific Gas and Electric PGETariffs@pge.com

PG&E Tariffs

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. 3805

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|---|----------------------------------|
| Revised 42618-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7 | Revised 42575-G |
| Revised 42619-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2 | Revised 42527-G |
| Revised 42620-G | TABLE OF CONTENTS | Revised 42610-G |
| Revised 42621-G | TABLE OF CONTENTS | Revised 42611-G |

LOS ANGELES, CALIFORNIA CANCELING Revised

CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

42618-G 42575-G

Sheet 7

PRELIMINARY STATEMENT PART II **SUMMARY OF RATES AND CHARGES**

(Continued)

| WHOLESTILL BLK VICE (CO. | WHOLESALE | <u>SERVICE</u> | (Continued) |
|--------------------------|-----------|----------------|-------------|
|--------------------------|-----------|----------------|-------------|

| Schedule GW-VRN (City of Vernon, G1-F10 & G1-I10) | |
|---|----------|
| Transmission Charge | 2.756¢ |
| ITCS VDN | (0.033a) |

PROCUREMENT CHARGE

| C -111- | C |
|----------|------|
| Schedule | U-CP |

| Non-Residential Core Procurement Charge, per therm | 60.855¢ |
|--|---------|
| Non-Residential Cross-Over Rate, per therm | 71.276¢ |
| Residential Core Procurement Charge, per therm | 60.855¢ |
| Residential Cross-Over Rate, per therm | 71.276¢ |
| Adjusted Core Procurement Charge, per therm | 70.287¢ |

IMBALANCE SERVICE

Standby Procurement Charge

| Core Retail Standby (SP-CR) | |
|--------------------------------|----------|
| September 2007 | 105.651¢ |
| October 2007 | 107.901¢ |
| November 2007 | 109.439¢ |
| Noncore Retail Standby (SP-NR) | |
| September 2007 | 105.716¢ |
| October 2007 | 107.966¢ |
| November 2007 | 109.504¢ |
| Wholesale Standby (SP-W) | |
| September 2007 | 105.716¢ |
| October 2007 | 107.966¢ |
| | |

Buy-Back Rate

| Cor | e and | l Noncore | e Retail | (BR-R) |
|-----|-------|-----------|----------|--------|
|-----|-------|-----------|----------|--------|

| September 2007 | 1.644¢ |
|------------------|-------------|
| _ | |
| November 2007 | 30.394¢ |
| Wholesale (BR-W) | |
| September 2007 | 1.644¢ |
| _ | |
| November 2007 | 30.394¢ |

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3805 DECISION NO.

7H8

ISSUED BY Lee Schavrien Senior Vice President

Regulatory Affairs

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

RESOLUTION NO. G-3316

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D

Revised

CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

42619-G 42527-G

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 0.201ϕ 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 | |
|-------------------------------|----------|
| September 2007 | 105.651¢ |
| October 2007 | 107.901¢ |
| November 2007 | 109.439¢ |
| Noncore Retail Service: | |
| SP-NR Standby Rate, per therm | |
| September 2007 | |
| October 2007 | 107.966¢ |
| November 2007 | 109.504¢ |
| Wholesale Service: | |
| SP-W Standby Rate per therm | |
| September 2007 | 105.716¢ |
| October 2007 | 107.966¢ |
| November 2007 | 109.504¢ |

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) 3805 ADVICE LETTER NO. DECISION NO.

2H7

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

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

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TABLE OF CONTENTS

| (Continued) |
|-------------|
|-------------|

| | (Continued) |
|----------|--|
| G-IMB | Transportation Imbalance Service |
| G-RPA | Receipt Point Access42260-G,42261-G,42262-G,42263-G,42264-G,42265-G |
| O Id II | 42266-G,42267-G,42268-G,42269-G,42270-G,42271-G |
| | 42272-G,42273-G,42274-G,42275-G |
| G-BSS | Basic Storage Service |
| G-DSS | 37961-G,37962-G,37963-G |
| G-AUC | Auction Storage Service |
| G-110C | 32712-G,32713-G,36314-G,32715-G |
| G-LTS | Long-Term Storage Service |
| G-L15 | 32720-G,32717-G,37965-G,37966-G |
| G-TBS | Transaction Based Storage Service |
| G-1D5 | 31929-G,36315-G,27378-G |
| G-CBS | UDC Consolidated Billing Service |
| G-PPPS | Public Purpose Programs Surcharge |
| G-SRF | Surcharge to Fund Public Utilities Commission |
| G-BIG | Utilities Reimbursement Account |
| G-MHPS | Surcharge to Fund Public Utilities Commission |
| O MIII B | Master Metered Mobile Home Park Gas Safety |
| | Inspection and Enforcement Program |
| G-MSUR | Transported Gas Municipal Surcharge |
| GIT | Interruptible Interutility Transportation |
| GLT | Long-Term Transportation of Customer-Owned |
| OL1 | Natural Gas |
| GLT-1 | Transportation of Customer-Owned Natural Gas 24572-G,24573-G,24574-G |
| OLI I | 24575-G,24576-G,24577-G |
| GLT-2 | Transportation of Customer-Owned Natural Gas 24578-G,24579-G,24580-G |
| GET 2 | 24581-G,24582-G,24583-G |
| G-LOAN | Hub Loaning |
| G-PRK | Hub Parking 41410-G |
| G-WHL | Hub Wheeling |
| G-FIG | Fiber Optic Cable in Gas Pipelines |
| 3110 | 40832-G,40833-G,40834-G,40835-G,40836-G,40837-G |
| | 10032 3, 10033 3, 10033 3, 10033 3, 10033 3, 10037 3 |

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3805 DECISION NO.

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

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

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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> | Cal. P.U.C. Sheet No. |
|---|--|
| Title Page | 42621-G,42008-G,42059-G 41970-G 42590-G,42591-G,42620-G 40149.1-G 40149.1-G 42169-G,41996-G |
| PRELIMINARY STATEMENT | |
| Part I General Service Information | G,24333-G,24334-G,24749-G |
| Part II Summary of Rates and Charges | |
| Part III Cost Allocation and Revenue Requirement 27024-G,37920-0 | 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 Purchased Gas Account (PGA) Core Fixed Cost Account (CFCA) Noncore Fixed Cost Account (NFCA) Enhanced Oil Recovery Account (EORA) Noncore Storage Balancing Account (NSBA) California Alternate Rates for Energy Account (CAREA) Brokerage Fee Account (BFA) Hazardous Substance Cost Recovery Account (HSCRA) Natural Gas Vehicle Account (NGVA) El Paso Turned-Back Capacity Balancing Account (EPTCBA) Gas Cost Rewards and Penalties Account (GCRPA) Pension Balancing Account (PBA) | |

(Continued)

(to be inserted by utility) advice letter no. \$3805\$ decision no.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & \underline{Dec~21,~2007} \\ \text{EFFECTIVE} & \underline{Dec~21,~2007} \\ \text{RESOLUTION NO.} & \underline{G\text{-}3316} \\ \end{array}$

ATTACHMENT C

ADVICE NO. 3805

RATE CALCULATION WORKPAPER SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING EFFECTIVE NOVEMBER 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 Midpoint."

The highest daily border price index for the period was on November 28, 2007

11/28/07 NGI's Daily Gas Price Index (NDGPI) = \$0.7285 per therm

11/28/07 Gas Daily's Daily Price Survey (GDDPS) = \$0.7280 per therm

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

HDBPI = \$0.72825 per therm

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

SP-CR = 150% x \$0.72825 + \$0.00201 = **\$1.09439**

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

SP-NR = 150% x \$0.72825 + \$0.00266 = **\$1.09504**

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

SP-W = 150% x \$0.72825 + \$0.00266 = **\$1.09504**