

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 29, 2008

Advice Letter 3860

Ken Deremer  
Director  
Tariffs & Regulatory Accounts  
8330 Century Park Court CP32C  
San Diego, CA 92123-1548

Subject: April 2008 Buy-Back Rates

Dear Mr. Deremer:

Advice Letter 3860 is effective April 30, 2008.

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

8330 Century Park Court CP32C  
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April 30, 2008

Advice No. 3860  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: April 2008 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 April 2008.

**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 April, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for April 2008 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 April 2008 Standby Procurement Charges will be filed by separate advice letter at least one day prior to May 25, 2008.

**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](mailto:mas@cpuc.ca.gov)) and to Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto: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](mailto: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 April 30, 2008, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3849, dated March 28, 2008.

**Notice**

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

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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) #: 3860

Subject of AL: April 2008 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 AL<sup>1</sup>: N/A

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

Resolution Required?     Yes     No

Tier Designation:     1     2     3

Requested effective date: April 30, 2008

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 proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: 3844

**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 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011**

**SNewsom@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 3860**

**(See Attached Service List)**

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ATTACHMENT B  
Advice No. 3860

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 43263-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 43259-G
Revised 43264-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 43260-G
Revised 43265-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 43186-G
Revised 43266-G	TABLE OF CONTENTS	Revised 43261-G
Revised 43267-G	TABLE OF CONTENTS	Revised 43262-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 .....	2.799¢
ITCS-VRN .....	(0.005¢)

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm .....	95.747¢
Non-Residential Cross-Over Rate, per therm .....	95.747¢
Residential Core Procurement Charge, per therm .....	95.747¢
Residential Cross-Over Rate, per therm .....	95.747¢
Adjusted Core Procurement Charge, per therm .....	95.559¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

February 2008 .....	141.314¢	D
March 2008 .....	148.251¢	
April 2008 .....	TBD*	T

Noncore Retail Standby (SP-NR)

February 2008 .....	141.379¢	D
March 2008 .....	148.316¢	
April 2008 .....	TBD*	T

Wholesale Standby (SP-W)

February 2008 .....	141.379¢	D
March 2008 .....	148.316¢	
April 2008 .....	TBD*	T

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

Buy-Back Rate

Core and Noncore Retail (BR-R)

February 2008.....	39.277¢	D
March 2008 .....	44.512¢	
April 2008 .....	47.780¢	I

Wholesale (BR-W)

February 2008.....	39.146¢	D
March 2008 .....	44.363¢	
April 2008 .....	47.620¢	I

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3860  
 DECISION NO. 89-11-060 & 90-09-089,  
 et al.

746

ISSUED BY

**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Apr 30, 2008  
 EFFECTIVE Apr 30, 2008  
 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, Midpoint."

Core Retail Service:

SP-CR Standby Rate, per therm

February 2008 .....	141.314¢	D
March 2008 .....	148.251¢	T
April 2008 .....	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

February 2008 .....	141.379¢	D
March 2008 .....	148.316¢	T
April 2008 .....	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

February 2008 .....	141.379¢	D
March 2008 .....	148.316¢	T
April 2008 .....	TBD*	T

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

February 2008.....	39.277¢	D
March 2008 .....	44.512¢	I
April 2008 .....	47.780¢	

Wholesale Service:

BR-W Buy-Back Rate, per therm

February 2008.....	39.146¢	D
March 2008 .....	44.363¢	I
April 2008 .....	47.620¢	

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,43047-G,43048-G 43049-G,43050-G,43051-G
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G-LTS	Long-Term Storage Service .....	32716-G,32717-G,32718-G,43052-G 43053-G,43054-G,43055-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 .....	42421-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 .....	42462-G,25006-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-WHL	Hub Wheeling .....	42677-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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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.

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Table of Contents--General and Preliminary Statement .....	43267-G,42901-G,43180-G
Table of Contents--Service Area Maps and Descriptions .....	41970-G
Table of Contents--Rate Schedules .....	43246-G,43247-G,43266-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 .....	42770-G,41996-G
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PRELIMINARY STATEMENT

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Part II Summary of Rates and Charges .....	43226-G,43227-G,43228-G,43229-G,43141-G,42631-G 43263-G,43045-G,43046-G,42420-G,43194-G,43195-G,42635-G,42636-G
Part III Cost Allocation and Revenue Requirement .....	27024-G,37920-G,27026-G,27027-G,42637-G
Part IV Income Tax Component of Contributions and Advances .....	43036-G,24354-G
Part V Balancing Accounts	
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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
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(Continued)

**ATTACHMENT C**

**ADVICE NO. 3860**

**RATE CALCULATION WORKPAPER  
BASED ON ADVICE NO. 3849  
ADJUSTED CORE PROCUREMENT CHARGE FILING  
EFFECTIVE April 1, 2008**

**Adjusted Core Procurement Charge:**

**Retail G-CPA: 95.559 ¢ per therm**  
(WACOG: 93.760 ¢ + Franchise and Uncollectibles:  
1.799 ¢ or [ 1.9187% \* 93.760 ¢ ] )

**Wholesale G-CPA: 95.239 ¢ per therm**  
(WACOG: 93.760 ¢ + Franchise:  
1.479 ¢ or [ 1.5779% \* 93.760 ¢ ] )

**GIMB Buy-Back Rates**

**BR-R = 50% of Retail G-CPA:**  
50% \* 95.559 cents/therm = **47.780** cents/therm

**BR-W = 50% of Wholesale G-CPA:**  
50% \* 95.239 cents/therm = **47.620** cents/therm