

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 23, 2008

Advice Letter 3873

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

Subject: May 2008 Standby Procurement Charges

Dear Mr. Deremer:

Advice Letter 3873 is effective June 23, 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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Tel: 858.654.1756  
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KDeremer@SempraUtilities.com

June 23, 2008

Advice No. 3873  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: May 2008 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 2008.

**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 0.188¢ 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."
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 2008 (covering the period May 1, 2008, to June 20, 2008), the highest daily border price index at the Southern California border is \$1.26800 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$1.90466 per therm for noncore retail service and all wholesale service, and \$1.90388 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](mailto:mas@cpuc.ca.gov)) and Honesto Gatchalian ([ijn@cpuc.ca.gov](mailto:ijn@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](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. SoCalGas respectfully requests that the tariff sheets filed herein be made effective June 23, 2008, 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, 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) #: 3873

Subject of AL: May 2008 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 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: June 23, 2008

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

Pending advice letters that revise the same tariff sheets: 3870

**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. 3873**

**(See Attached Service List)**

Aglet Consumer Alliance  
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jweil@aglet.org

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ATTACHMENT B  
Advice No. 3873

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 43520-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 43501-G
Revised 43521-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 43461-G
Revised 43522-G	TABLE OF CONTENTS	Revised 43463-G
Revised 43523-G	TABLE OF CONTENTS	Revised 43519-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 .....	109.483¢
Non-Residential Cross-Over Rate, per therm .....	109.483¢
Residential Core Procurement Charge, per therm .....	109.483¢
Residential Cross-Over Rate, per therm .....	109.483¢
Adjusted Core Procurement Charge, per therm .....	109.295¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

March 2008 .....	148.251¢
April 2008 .....	162.526¢
May 2008 .....	190.388¢

Noncore Retail Standby (SP-NR)

March 2008 .....	148.316¢
April 2008 .....	162.604¢
May 2008 .....	190.466¢

Wholesale Standby (SP-W)

March 2008 .....	148.316¢
April 2008 .....	162.604¢
May 2008 .....	190.466¢

Buy-Back Rate

Core and Noncore Retail (BR-R)

March 2008 .....	44.512¢
April 2008 .....	47.780¢
May 2008 .....	54.128¢

Wholesale (BR-W)

March 2008 .....	44.363¢
April 2008 .....	47.620¢
May 2008 .....	53.947¢

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3873  
 DECISION NO.

7H7

ISSUED BY

**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 23, 2008  
 EFFECTIVE Jun 23, 2008  
 RESOLUTION NO. G-3316

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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 0.188¢ 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

March 2008 .....	148.251¢
April 2008 .....	162.526¢
May 2008 .....	190.388¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

March 2008 .....	148.316¢
April 2008 .....	162.604¢
May 2008 .....	190.466¢

Wholesale Service:

SP-W Standby Rate per therm

March 2008 .....	148.316¢
April 2008 .....	162.604¢
May 2008 .....	190.466¢

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. 3873  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jun 23, 2008  
 EFFECTIVE Jun 23, 2008  
 RESOLUTION NO. G-3316

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(Continued)

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G-BSS	Basic Storage Service .....	32700-G,32701-G,43047-G,43048-G 43049-G,43050-G,43051-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,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
GIT	Interruptible Interutility Transportation .....	24567-G,24568-G
GLT	Long-Term Transportation of Customer-Owned Natural Gas .....	24569-G,24570-G,42279-G
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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. 3873  
 DECISION NO.

ISSUED BY

**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 23, 2008  
 EFFECTIVE Jun 23, 2008  
 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.

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Table of Contents--General and Preliminary Statement .....	43523-G,43412-G,43180-G
Table of Contents--Service Area Maps and Descriptions .....	41970-G
Table of Contents--Rate Schedules .....	43517-G,43518-G,43522-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
Table of Contents--Sample Forms .....	43450-G,42332-G,42490-G,43043-G,42503-G

PRELIMINARY STATEMENT

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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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Noncore Fixed Cost Account (NFCA) .....	41659-G
Enhanced Oil Recovery Account (EORA) .....	40870-G
Noncore Storage Balancing Account (NSBA) .....	43306-G*
California Alternate Rates for Energy Account (CAREA) .....	40872-G,40873-G
Brokerage Fee Account (BFA) .....	40874-G
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Pension Balancing Account (PBA) .....	40882-G,40883-G

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3873  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jun 23, 2008  
 EFFECTIVE Jun 23, 2008  
 RESOLUTION NO. G-3316

**ATTACHMENT C**

**ADVICE NO. 3873**

**RATE CALCULATION WORKPAPER  
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING  
EFFECTIVE MAY 2008**

**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 June 20, 2008

**06/20/08 NGI’s Daily Gas Price Index (NDGPI) = \$1.2680 per therm**

**06/20/08 Gas Daily’s Daily Price Survey (GDDPS) = \$1.2680 per therm**

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

**HDBPI = \$1.26800 per therm**

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

**SP-CR = 150% x \$1.26800 + \$0.00188 = \$1.90388**

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

**SP-NR = 150% x \$1.26800 + \$0.00266 = \$1.90466**

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

**SP-W = 150% x \$1.26800 + \$0.00266 = \$1.90466**