#### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



October 6, 2008

**Advice Letter 3897** 

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

Subject: August 2008 Buy-Back Rates

Dear Mr. Deremer:

Advice Letter 3897 is effective August 31, 2008.

Sincerely,

Kenneth Lewis, Acting 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

August 29, 2008

Advice No. 3897 (U 904 G)

Public Utilities Commission of the State of California

#### Subject: August 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 August 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.

#### <u>Information</u>

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

> Attn: Sid Newsom Tariff Manager - GT14D6 555 West Fifth Street Los Angeles, CA 90013-1011 Facsimile No. (213) 244-4957

E-mail: <a href="mailto:snewsom@SempraUtilities.com">snewsom@SempraUtilities.com</a>

#### **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 August 31, 2008, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3888, dated July 31, 2008.

#### **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 904-G)				
Utility type:	Contact Person:_	Sid Newsom		
☐ ELC ☐ GAS	Phone #: (213) _24	44-2846		
☐ PLC ☐ HEAT ☐ WATER	E-mail: snewson	n@semprautilities.com		
EXPLANATION OF UTILITY TY	PE	(Date Filed/ Received Stamp by CPUC)		
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat V	VATER = Water			
Advice Letter (AL) #: 3897				
Subject of AL: August 2008 Bu	 ıy-Back Rates			
Keywords (choose from CPUC listing)	: Preliminary Sta	tement, Core, Compliance		
AL filing type: ⊠ Monthly □ Quarter	rly 🗌 Annual 🗌 C	ne-Time 🗌 Other		
AL filed in compliance with a Commi	ssion order, indica	te relevant Decision/Resolution #:		
D89-11-060 and D90-09-089, e	t al.			
Does AL replace a withdrawn or reject	cted AL? If so, ider	ntify the prior AL <u>No</u>		
Summarize differences between the A	AL and the prior wi	ithdrawn or rejected AL¹:N/A		
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>August 31,</u>		No. of tariff sheets: <u>5</u>		
Estimated system annual revenue eff				
Estimated system average rate effect	(%): <u>None</u>			
When rates are affected by AL, included classes (residential, small commercial)		L showing average rate effects on customer altural, lighting).		
Tariff schedules affected: Preliminary 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>3875, 3885, 3887, and 3893</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. 555 West Fifth Street, GT14D6				
San Francisco, CA 94102		os Angeles, CA 90013-1011		
mas@cpuc.ca.gov and jnj@cpuc.ca.gov	y s	newsom@semprautilities.com		

 $<sup>^{\</sup>mbox{\tiny 1}}$  Discuss in AL if more space is needed.

#### **ATTACHMENT A**

Advice No. 3897

(See Attached Service List)

Aglet Consumer Alliance
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Terry Rich

**Ancillary Services Coalition** 

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**Western Manufactured Housing** 

**Communities Assoc.** 

Sheila Day sheila@wma.org

#### ATTACHMENT B Advice No. 3897

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 43841-G	PRELIMINARY STATEMENT, PART II,	Revised 43734-G
	SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 43787-G
Revised 43842-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 43788-G
Revised 43843-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 43629-G
Revised 43844-G	TABLE OF CONTENTS	Revised 43789-G
Revised 43845-G	TABLE OF CONTENTS	Revised 43790-G

Revised LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

43841-G 43734-G 43787-G

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

Sheet 7

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(Continued)

WHOLESALE	E SERVICE	(Continued)

Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)	
Transmission Charge	2.799¢
ITCS-VRN	(0.005c)

#### PROCUREMENT CHARGE

Schedule	G-	CP
----------	----	----

Non-Residential Core Procurement Charge, per therm	87.751¢
Non-Residential Cross-Over Rate, per therm	87.751¢
Residential Core Procurement Charge, per therm	87.751¢
Residential Cross-Over Rate, per therm	87.751¢
Adjusted Core Procurement Charge, per therm	87.563¢

#### **IMBALANCE SERVICE**

#### Standby Procurement Charge

1,1,, 2000

Core	Retail Standby (SP-C	R)
-	2000	

July 2008	. 190.201¢
August 2008	TBD*
Noncore Retail Standby (SP-NR)	
June 2008	190.466¢
July 2008	. 190.279¢
August 2008	
Wholesale Standby (SP-W)	

August 2000	IDD
Wholesale Standby (SP-W)	
June 2008	
July 2008	
August 2008	TBD*

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

#### **Buy-Back Rate**

Core and Noncore	Retail (	(BR-R)
------------------	----------	--------

June 2008	54.648¢
July 2008	61.238¢
August 2008	

#### Wholesale (BR-W)

June 2008	54.465¢
July 2008	61.033¢
August 2008	•

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3897 DECISION NO. 89-11-060 & 90-09-089, et al. 7H11

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Aug 29, 2008 DATE FILED Aug 31, 2008 **EFFECTIVE** RESOLUTION NO.

LOS ANGELES, CALIFORNIA CANCELING Revised

Revised C

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

43842-G 43788-G

#### 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  $0.266\phi$  per therm for noncore retail service and all wholesale service, and  $0.188\phi$  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

Si -CK Standoy Rate, per therm	
June 2008	. 190.388¢
July 2008	. 190.201¢
August 2008	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
June 2008	. 190.466¢
July 2008	. 190.279¢
August 2008	
Wholesale Service:	
SP-W Standby Rate per therm	
June 2008	. 190.466¢
July 2008	. 190.279¢
August 2008	
$\boldsymbol{\mathcal{E}}$	

<sup>\*</sup>To be determined (TBD). Pursuant to Resolution G-3316, the August Standby Procurement Charge will be filed by a separate advice letter at least one day prior to September 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 UTILITY) ADVICE LETTER NO. 3897 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 Aug 29, 2008

EFFECTIVE Aug 31, 2008

RESOLUTION NO.

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

43843-G 43629-G

#### 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	
June 2008	54.648¢
July 2008	61.238¢

Wholesale Service:

BR-W Buy-Back Rate, per therm

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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)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3897 DECISION NO. 89-11-060 & 90-09-089. et al. 3H10

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Aug 29, 2008 DATE FILED Aug 31, 2008 EFFECTIVE RESOLUTION NO.

Revised LOS ANGELES, CALIFORNIA CANCELING Revised

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

43844-G 43789-G

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#### TABLE OF CONTENTS

	(Continued)	
G-IMB	Transportation Imbalance Service	
	43223-G,36313-G,33498-G	
G-RPA	Receipt Point Access42260-G,42261-G,42262-G,42263-G,42264-G,42265-G	
	43327-G,43328-G,43329-G,43330-G,43331-G,43332-G	
	43333-G,43334-G,43335-G,43336-G	
G-BSS	Basic Storage Service	
	43049-G,43050-G,43051-G	
G-AUC	Auction Storage Service	
	32712-G,32713-G,36314-G,32715-G	
G-LTS	Long-Term Storage Service	
	43053-G,43054-G,43055-G	
G-TBS	Transaction Based Storage Service	
G GDG	43343-G,43344-G,27378-G	
G-CBS	UDC Consolidated Billing Service	
G-SMT	Secondary Market Transactions	
C DDDC	of Storage Rights	
G-PPPS G-SRF	Public Purpose Programs Surcharge	
G-SKF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account	
G-MHPS	Surcharge to Fund Public Utilities Commission 42000-G	
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	
	Natural Gas	
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-PAL	Operational Hub Services	
G-FIG	Fiber Optic Cable in Gas Pipelines	
	40832-G,40833-G,40834-G,40835-G,40836-G,40837-G	

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3897 DECISION NO. 89-11-060 & 90-09-089, et al. 3H10

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Aug 29, 2008 DATE FILED Aug 31, 2008 EFFECTIVE RESOLUTION NO.

43845-G

43790-G

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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 Table of ContentsGeneral and Preliminary Statement Table of ContentsService Area Maps and Descriptions Table of ContentsRate Schedules Table of ContentsList of Cities and Communities Served Table of ContentsList of Contracts and Deviations Table of ContentsRules	43845-G,43408-G,43409-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-C	G,27026-G,27027-G,42637-G
Part IV Income Tax Component of Contributions and Advances	43036-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) 3897 ADVICE LETTER NO. DECISION NO. 89-11-060 & 90-09-089, et al. 1H9

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) DATE FILED Aug 29, 2008 Aug 31, 2008 **EFFECTIVE** RESOLUTION NO.

#### ATTACHMENT C

#### **ADVICE NO. 3897**

# RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3888 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE AUGUST 1, 2008

#### **Adjusted Core Procurement Charge:**

**Retail G-CPA:** 87.563 ¢ per therm (WACOG: 85.915 ¢ + Franchise and Uncollectibles: 1.648 ¢ or [ 1.9187% \* 85.915 ¢ ] )

Wholesale G-CPA: 87.271  $\phi$  per therm (WACOG: 85.915  $\phi$  + Franchise and Uncollectibles: 1.356  $\phi$  or [ 1.5779% \* 85.915  $\phi$  ] )

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

**BR-R** = 50% of Retail G-CPA: 50% \* 87.563 cents/therm = **43.782** cents/therm

**BR-W** = 50% of Wholesale G-CPA: 50% \* 87.271 cents/therm = **43.636** cents/therm