PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



November 14, 2008

Advice Letter 3911

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

Subject: September 2008 Standby Procurement Charges

Dear Mr. Deremer:

Advice Letter 3911 is effective October 21, 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

October 21, 2008

Advice No. 3911 (U 904 G)

Public Utilities Commission of the State of California

Subject: September 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 September 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:

- 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 September 2008 (covering the period September 1, 2008, to October 20, 2008), the highest daily border price index at the Southern California border is \$0.69575 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$1.04629 per therm for noncore retail service and all wholesale service, and \$1.04551 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 (<u>mas@cpuc.ca.gov</u>) and Honesto Gatchalian (<u>inj@cpuc.ca.gov</u>) 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 October 21, 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 October 25, 2008.

<u>Notice</u>

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

MUST BE COMPLE	ENERGY UI		
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 \Box GAS	Phone #: (213) <u>244-2846</u>		
PLC HEAT WATER	E-mail: SNewsom	n@semprautilities.com	
EXPLANATION OF UTILITY TY	PE	(Date Filed/ Received Stamp by CPUC)	
ELC = ElectricGAS = GasPLC = PipelineHEAT = Heat	VATER = Water		
Advice Letter (AL) #: <u>3911</u>			
Subject of AL: <u>September 2008 Star</u>	ndby Procurement	Charges	
Keywords (choose from CPUC listing)	: <u>Preliminary Sta</u>	tement; Standby Service; Procurement	
AL filing type: 🛛 Monthly 🗌 Quarter	rly 🗌 Annual 🗌 C	Dne-Time 🗌 Other	
If AL filed in compliance with a Com	•		
Does AL replace a withdrawn or rejec	cted AL? If so, ide	ntify the prior AL <u>No</u>	
Summarize differences between the A	AL and the prior w	ithdrawn or rejected AL ¹ : <u>N/A</u>	
	-		
Does AL request confidential treatme	ent? If so, provide e	explanation: <u>No</u>	
Resolution Required? 🗌 Yes 🖂 No		Tier Designation: 🛛 1 🗌 2 🔲 3	
Requested effective date: <u>October 2</u>	1, 2008	No. of tariff sheets: <u>4</u>	
Estimated system annual revenue eff	fect: (%): <u>N/A</u>		
Estimated system average rate effect	(%): <u>N/A</u>		
When rates are affected by AL, include	de attachment in A	L showing average rate effects on customer	
classes (residential, small commercia	ıl, 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 ¹ : <u>N/A</u>			
Pending advice letters that revise the	same tariff sheets	s: <u>3903 and 3904</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 Attention: Tariff Unit		Southern California Gas Company Attention: Sid Newsom	
505 Van Ness Ave.,		555 West 5 th Street, GT14D6	
San 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. 3911

(See Attached Service List)

Advice Letter Distribution List - Advice 3911

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Advice Letter Distribution List - Advice 3911

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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

ATTACHMENT B Advice No. 3911

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 43995-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 43976-G
Revised 43996-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 43926-G
Revised 43997-G	TABLE OF CONTENTS	Revised 42329-G*
Revised 43998-G	TABLE OF CONTENTS	Revised 43994-G

Revised CAL. P.U.C. SHEET NO. 44 Revised CAL. P.U.C. SHEET NO. 44

43995-G 43976-G

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ITCS-VRN	
PROCUREMENT CHARGE	
Schedule G-CP	
Non-Residential Core Procurement Charge, per therm 67.960¢	
Non-Residential Cross-Over Rate, per therm 67.960¢	
Residential Core Procurement Charge, per therm 67.960¢	
Residential Cross-Over Rate, per therm 67.960¢	
Adjusted Core Procurement Charge, per therm	
IMBALANCE SERVICE	
Standby Procurement Charge	
Core Retail Standby (SP-CR)	
July 2008 190.201¢	
August 2008 126.938¢	
September 2008 104.551¢	
Noncore Retail Standby (SP-NR)	
July 2008 190.279¢	
August 2008 127.016¢	
September 2008 104.629¢	
Wholesale Standby (SP-W)	
July 2008 190.279¢	
August 2008 127.016¢	
September 2008 104.629¢	
Buy-Back Rate	
Core and Noncore Retail (BR-R)	
July 2008 61.238¢	
August 2008 43.782¢	
September 2008	
Wholesale (BR-W)	
July 2008	
August 2008	
September 2008 9.898¢	

(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC)DATE FILEDOct 21, 2008EFFECTIVEOct 21, 2008RESOLUTION NO.G-3316

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43996-G 43926-G CAL. P.U.C. SHEET 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 0.188φ 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	
July 2008	190.201¢
August 2008	126.938¢
September 2008	104.551¢
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
July 2008	190.279¢
August 2008	127.016¢
September 2008	104.629¢
Wholesale Service:	
SP-W Standby Rate per therm	
July 2008	190.279¢
August 2008	127.016¢
September 2008	104.629¢

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.

(TO BE INSERTED BY UTILITY) 3911 ADVICE LETTER NO. DECISION NO. 2H6

(Continued)

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

FED BY CAL. PUC)
21, 2008
21, 2008
G-3316
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ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE II	NSERTED BY CAL. PUC)
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(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE I	NSERTED BY CAL. PUC)
DATE FILED	Oct 21, 2008
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ATTACHMENT C

ADVICE NO. 3911

RATE CALCULATION WORKPAPER SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING EFFECTIVE SEPTEMBER 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 September 1, 2008

09/01/08 NGI's Daily Gas Price Index (NDGPI) = \$0.6960 per therm

09/01/08 Gas Daily's Daily Price Survey (GDDPS) = \$0.6955 per therm

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

HDBPI =\$0.69575 per therm

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

SP-CR = 150% x \$0.69575 + \$0.00188 = **\$1.04551**

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

SP-NR = 150% x \$0.69575 + \$0.00266 = **\$1.04629**

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

SP-W = 150% x \$0.69575 + \$0.00266 = **\$1.04629**