PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



January 9, 2009

Advice Letter 3927

Ronald van der Leeden, Director Rates, Revenues and Tariffs 8330 Century Park Court CP32C San Diego, CA 92123-1548

Subject: November 2008 Buy-Back Rates

Dear Mr. van der Leeden:

Advice Letter 3927 is effective November 30, 2008.

Sincerely,

Julie A. Fitch, Director Energy Division

Jen A. Jes





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

November 26, 2008

Advice No. 3927 (U 904 G)

Public Utilities Commission of the State of California

Subject: November 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 November 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 November, the lowest incremental cost of gas, which is 17.851 cents per therm, is lower than 50% of the Adjusted Core Procurement Charge, G-CPA. Therefore, the Buy-Back Rates for November 2008 are being set at the lowest incremental cost of gas. The work paper 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 November 2008 Standby Procurement Charges will be filed by separate advice letter at least one day prior to December 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: 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 November 30, 2008, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3914, dated October 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:				
☐ ELC	Phone #: (213) 244-2846			
☐ PLC ☐ HEAT ☐ WATER				
EXPLANATION OF UTILITY TYPE	PE	(Date Filed/ Received Stamp by CPUC)		
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water				
Advice Letter (AL) #: 3927				
Subject of AL: November 2008	Buy-Back Rates			
Keywords (choose from CPUC listing)	: Preliminary Sta	tement, Core, Compliance		
AL filing type: ⊠ Monthly □ Quarter	rly 🗌 Annual 🗌 O	ne-Time 🗌 Other		
AL filed in compliance with a Commis D89-11-060 and D90-09-089, et		te relevant Decision/Resolution #:		
Does AL replace a withdrawn or rejec	ted AL? If so, ider	ntify the prior AL <u>No</u>		
•		ithdrawn or rejected AL¹:N/A		
Does AL request confidential treatment	nt? If so, provide e	explanation: No		
Resolution Required? Yes No		Tier Designation: 🛛 1 🔲 2 🔲 3		
Requested effective date: <u>November 3</u>	<u>30, 2</u> 008	No. of tariff sheets: <u>5</u>		
Estimated system annual revenue eff	ect: (%):None	<u>e</u>		
Estimated system average rate effect	(%):None			
		L showing average rate effects on customer		
classes (residential, small commercia				
Tariff schedules affected: Prelin	<u>ninary Statement,</u>	Part II; Schedule G-IMB; and TOCs		
Service affected and changes proposed ¹ :N/A				
Pending advice letters that revise the same tariff sheets: 3913				
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 555 West Fifth Street CT14DC				
505 Van Ness Ave. San Francisco, CA 94102		555 West Fifth Street, GT14D6 Los Angeles, CA 90013-1011		
mas@cpuc.ca.gov and jnj@cpuc.ca.gov		newsom@semprautilities.com		

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

ATTACHMENT A

Advice No. 3927

(See Attached Service List)

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ATTACHMENT B Advice No. 3927

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 44126-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 44118-G
Revised 44127-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 44119-G
Revised 44128-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 44006-G
Revised 44129-G	TABLE OF CONTENTS	Revised 44124-G
Revised 44130-G	TABLE OF CONTENTS	Revised 44125-G

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

44126-G 44118-G

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PRELIMINARY STATEMENT Sheet 7 PART II **SUMMARY OF RATES AND CHARGES**

	(Continued)
WHOLESALE SERVICE (Continued)	

Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)	
Transmission Charge	2.276¢

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm	
Non-Residential Cross-Over Rate, per therm	45.595¢
Residential Core Procurement Charge, per therm	
Residential Cross-Over Rate, per therm	45.595¢
Adjusted Core Procurement Charge, per therm	41.321¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail	Standby	(SP-CR)
C 4 1-	2000	

September 2008	04.551¢
October 2008	93.488¢
November 2008	TBD*
 D . 11 G . 11 . (GD ND)	

Noncore Retail Standby (SP-NR)

September 2008	104.629¢
October 2008	. 93.566¢
November 2008	TBD*
holesale Standby (SP-W)	

Wholesale Standby (SP-W) November 2008 TBD*

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

Buy-Back Rate

Core and Noncore Retail (BR-R)

September 2008	9.898¢
October 2008	15.500¢
November 2008	17.851¢

Wholesale (BR-W)

September 2008	9.898¢
October 2008	15.500¢
November 2008	17.851¢

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3927 DECISION NO. 89-11-060 & 90-09-089. et al. 7H7

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) DATE FILED Nov 26, 2008 Nov 30, 2008 EFFECTIVE RESOLUTION NO.

LOS ANGELES, CALIFORNIA CANCELING Revised

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

44127-G 44119-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 0.266ϕ 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	
September 2008	104.551¢
October 2008	93.488¢
November 2008	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
September 2008	
October 2008	93.566¢
November 2008	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
September 2008	104.629¢
October 2008	93.566¢
November 2008	TBD*

^{*}To be determined (TBD). Pursuant to Resolution G-3316, the November Standby Procurement Charge will be filed by a separate advice letter at least one day prior to December 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. 3927 DECISION NO. 89-11-060 & 90-09-089, et al.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

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

44128-G 44006-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 3

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(Continued)

RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy	Rack	Data	nor	thorm
DK-K Duy	/-back	Raie,	per	merm

September 2008	9.898¢
October 2008	15.500¢
November 2008	17.851¢

Wholesale Service:

BR-W Buy-Back Rate, per therm

September 2008	. 9.898¢
October 2008	15.500¢
November 2008	17.851¢

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. 3927 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 Nov 26, 2008
EFFECTIVE Nov 30, 2008
RESOLUTION NO.

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LOS ANGELES, CALIFORNIA CANCELING

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(Continued)			
G-IMB	Transportation Imbalance Service		
	44123-G,36313-G,33498-G		
G-OSD	Off-System Delivery Service		
G-RPA	Receipt Point Access42260-G,42261-G,42262-G,42263-G,42264-G,42265-G		
	42266-G,42267-G,42268-G,42269-G,42270-G,42271-G		
	42272-G,42273-G,42274-G,42275-G		
G-POOL	Pooling Service		
G-BSS	Basic Storage Service		
	37961-G,37962-G,37963-G,37964-G		
G-AUC	Auction Storage Service		
	32712-G,32713-G,36314-G,32715-G		
G-LTS	Long-Term Storage Service		
	32720-G,32721-G,37965-G,37966-G		
G-TBS	Transaction Based Storage Service		
	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			
	Utilities Reimbursement Account		
G-MHPS	Surcharge to Fund Public Utilities Commission		
Master Metered Mobile Home Park Gas Safety			
G MGITD	Inspection and Enforcement Program		
G-MSUR	Transported Gas Municipal Surcharge		
GIT	Interruptible Interutility Transportation		
GLT	Long-Term Transportation of Customer-Owned		
CLT 1	Natural Gas		
GLT-1	Transportation of Customer-Owned Natural Gas 24572-G,24573-G,24574-G		
CIT 2	24575-G,24576-G,24577-G		
GLT-2	Transportation of Customer-Owned Natural Gas 24578-G,24579-G,24580-G		
C DAI	24581-G,24582-G,24583-G		
G-PAL	Operational Hub Services		
G-FIG	Fiber Optic Cable in Gas Pipelines		

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3927 DECISION NO. 89-11-060 & 90-09-089, et al. 3H6

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Nov 26, 2008 DATE FILED Nov 30, 2008 **EFFECTIVE** RESOLUTION NO.

40832-G,40833-G,40834-G,40835-G,40836-G,40837-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	44130-G,43408-G,43963-G 41970-G 44065-G,44066-G,44129-G 40149.1-G 40149.1-G 43785-G,42331-G
PRELIMINARY STATEMENT	
Part I General Service Information	2-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges 44045-G,44046-G,44047-44126-G,43301-G,43302-G,43735-G,44014	
Part III Cost Allocation and Revenue Requirement 27024-G,37920	O-G,27026-G,27027-G,43740-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)	43839-G 42242-G 42243-G 42244-G 43306-G 40872-G,40873-G 40874-G 40875-G, 40876-G,40877-G 43688-G,40879-G 40880-G 40881-G 43689-G,43690-G

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3927 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 Nov 26, 2008

EFFECTIVE Nov 30, 2008

RESOLUTION NO.

ATTACHMENT C

ADVICE NO. 3927

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3914 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE NOVEMBER 1, 2008

Adjusted Core Procurement Charge:

Retail G-CPA: 41.321 ¢ per therm (WACOG: 40.620 ¢ + Franchise and Uncollectibles: 0.701 ¢ or [1.7262% * 40.620 ¢])

Wholesale G-CPA: 41.223 ¢ per therm (WACOG: 40.620 ¢ + Franchise: 0.603 ¢ or [1.4837% * 40.620 ¢])

GIMB Buy-Back Rates

Lowest incremental cost of gas purchased during November 2008 is 17.851 cents/therm, which is lower than the following:

BR-R = 50% of Retail G-CPA: 50% * 41.321 cents/therm = **20.661** cents/therm

BR-W = 50% of Wholesale G-CPA: 50% * 41.223 cents/therm = **20.612** cents/therm

Therefore: **BR-R** and **BR-W** = 17.851 cents/therm