PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

April 20, 2009



Advice Letter 3967

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

Subject: February 2009 Buy-Back Rates

Dear Mr. van der Leeden:

Advice Letter 3967 is effective February 28, 2009.

Sincerely,

Julie A. Fitch, Director Energy Division

Je A. Jas





Ronald van der Leeden Director Rates, Revenues and Tariffs

555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009

Fax: 213.244.3201 rvanderleeden@semprautilities.com

February 27, 2009

Advice No. 3967 (U 904 G)

Public Utilities Commission of the State of California

Subject: February 2009 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 February 2009.

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 February, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for February 2009 are being set accordingly. 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 February 2009 Standby Procurement Charges will be filed by separate advice letter at least one day prior to March 25, 2009.

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) and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. 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 and therefore respectfully requests that the tariff sheets filed herein be made effective February 28, 2009, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 3955, dated January 30, 2009.

Notice

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

Ronald van der Leeden Director Rates, Revenues and Tariffs

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

Company name/CPUC Utility No. SOUTHERN CALIFORNIA GAS COMPANY (U 904-G)				
Utility type: Contact Person: <u>Sid Newsom</u>				
☐ ELC ☐ GAS Phone #: (213) <u>244-2846</u>	Phone #: (213) 244-2846			
PLC HEAT WATER E-mail: snewsom@semprautilities.com				
EXPLANATION OF UTILITY TYPE (Date Filed/ Received Stamp by CPUC)				
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water	WATER = Water			
Advice Letter (AL) #: 3967				
Subject of AL: February 2009 Buy-Back Rates				
Keywords (choose from CPUC listing): Preliminary Statement, Core, Compliance				
AL filing type: Monthly Quarterly Annual One-Time Other				
AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:				
Does AL replace a withdrawn or rejected AL? If so, identify the prior ALNo				
Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A				
Does AL request confidential treatment? If so, provide explanation: No.				
Resolution Required? \square Yes \boxtimes No Tier Designation: \boxtimes 1 \square 2 \square 3	_			
Requested effective date: <u>February 28, 2009</u> No. of tariff sheets: <u>5</u>				
Estimated system annual revenue effect: (%): None				
Estimated system average rate effect (%): None				
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 ¹ : N/A				
Pending advice letters that revise the same tariff sheets: 3938, 3954, and 3965				
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				
05 Van Ness Ave. 555 West Fifth Street, GT14D6 an Francisco, CA 94102 Los Angeles, CA 90013-1011				
mas@cpuc.ca.gov and jnj@cpuc.ca.gov snewsom@semprautilities.com				

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

ATTACHMENT A

Advice No. 3967

(See Attached Service List)

Aglet Consumer Alliance James Weil

jweil@aglet.org

Alcantar & Kahl LLP Annie Stange

sas@a-klaw.com

Barkovich & Yap Catherine E. Yap ceyap@earthlink.net

CPUC Energy Rate Design & Econ. 505 Van Ness Ave., Rm. 4002 San Francisco, CA 94102

CPUC - DRA
Jacqueline Greig
jnm@cpuc.ca.gov

Calpine Corp Avis Clark aclark@calpine.com

City of Banning Paul Toor P. O. Box 998 Banning, CA 92220

City of Long Beach, Gas & Oil Dept. Chris Garner

2400 East Spring Street Long Beach, CA 90806

City of Riverside

Joanne Snowden
jsnowden@riversideca.gov

Commerce Energy Brian Patrick

BPatrick@commerceenergy.com

Alcantar & Kahl Kari Harteloo klc@a-klaw.com

Alcantar & Kahl, LLP Mike Cade

wmc@a-klaw.com

Beta Consulting John Burkholder burkee@cts.com

CPUC
Pearlie Sabino
pzs@cpuc.ca.gov

CPUC - DRA
R. Mark Pocta
rmp@cpuc.ca.gov

City of Anaheim Ben Nakayama Public Utilities Dept. P. O. Box 3222 Anaheim, CA 92803

City of Burbank Fred Fletcher/Ronald Davis 164 West Magnolia Blvd., Box 631 Burbank, CA 91503-0631

City of Los Angeles City Attorney 200 North Main Street, 800 Los Angeles, CA 90012

City of Vernon
Dan Bergmann
dan@igservice.com

Commerce Energy
Catherine Sullivan
csullivan@commerceenergy.com

BP Amoco, Reg. Affairs Marianne Jones

Alcantar & Kahl

Seema Srinivasan

sls@a-klaw.com

501 West Lake Park Blvd. Houston, TX 77079

CPUC Consumer Affairs Branch 505 Van Ness Ave., #2003

San Francisco, CA 94102

CPUC - DRA
Galen Dunham
gsd@cpuc.ca.gov

California Energy Market

Lulu Weinzimer luluw@newsdata.com

City of Azusa Light & Power Dept. 215 E. Foothill Blvd. Azusa, CA 91702

City of Colton Thomas K. Clarke 650 N. La Cadena Drive Colton, CA 92324

City of Pasadena - Water and Power

Dept. G Bawa

GBawa@cityofpasadena.net

Commerce Energy Blake Lazusso

blasuzzo@commerceenergy.com

County of Los Angeles Stephen Crouch

1100 N. Eastern Ave., Room 300

Los Angeles, CA 90063

Manatt, Phelps & Phillips, LLP

David Huard

dhuard@manatt.com

Culver City Utilities DGS Crossborder Energy Tom Beach **Heustace Lewis Henry Nanjo** Heustace.Lewis@culvercity.org tomb@crossborderenergy.com Henry.Nanjo@dgs.ca.gov **Davis Wright Tremaine, LLP** Dept. of General Services Davis, Wright, Tremaine Edward W. O'Neill Judy Pau **Celia Torres** 505 Montgomery Street, Ste 800 judypau@dwt.com celia.torres@dgs.ca.gov San Francisco, CA 94111 **Douglass & Liddell** Douglass & Liddell Downey, Brand, Seymour & Rohwer Dan Douglass Donald C. Liddell Dan Carroll douglass@energyattorney.com liddell@energyattorney.com dcarroll@downeybrand.com Dynegy **Gas Transmission Northwest General Services Administration** Corporation Joseph M. Paul Facilities Management (9PM-FT) **Bevin Hona** 450 Golden Gate Ave. jmpa@dynegy.com Bevin_Hong@transcanada.com San Francisco, CA 94102-3611 Goodin, MacBride, Squeri, Ritchie & Goodin, MacBride, Squeri, Ritchie & **Hanna & Morton** Day, LLP Day, LLP Norman A. Pedersen, Esq. J. H. Patrick James D. Squeri npedersen@hanmor.com hpatrick@gmssr.com isqueri@gmssr.com **Imperial Irrigation District** Jeffer, Mangels, Butler & Marmaro JBS Energy K. S. Noller Jeff Nahigian 2 Embarcaero Center, 5th Floor P. O. Box 937 jeff@jbsenergy.com San Francisco, CA 94111 Imperial, CA 92251 **LADWP Kern River Gas Transmission Company LA County Metro** Janie Nielsen Julie Close Nevenka Ubavich Janie.Nielsen@KernRiverGas.com closeJ@metro.net nevenka.ubavich@ladwp.com **LADWP** Law Offices of Diane I. Fellman Law Offices of William H. Booth Diane Fellman William Booth Randy Howard P. O. Box 51111, Rm. 1522 diane_fellman@fpl.com wbooth@booth-law.com Los Angeles, CA 90051-0100 Luce, Forward, Hamilton & Scripps MRW & Associates **Manatt Phelps Phillips** John Leslie Robert Weisenmiller Randy Keen ileslie@luce.com mrw@mrwassoc.com rkeen@manatt.com

March Joint Powers Authority

March Air Reserve Base, CA 92518-

Lori Stone

2038

23555 Meyer Drive,

Matthew Brady & Associates

matt@bradylawus.com

Matthew Brady

Julie Morris

Julie.Morris@PPMEnergy.com

National Utility Service, Inc.

Jim Boyle

One Maynard Drive, P. O. Box 712 Park Ridge, NJ 07656-0712 Ray Welch

ray.welch@navigantconsulting.com

PG&E Tariffs

Pacific Gas and Electric PGETariffs@pge.com

Praxair Inc Rick Noger

rick_noger@praxair.com

Questar Southern Trails

Navigant Consulting, Inc.

Lenard Wright

Lenard.Wright@Questar.com

R. W. Beck, Inc.
Catherine Elder
celder@rwbeck.com

Regulatory & Cogen Services, Inc. Donald W. Schoenbeck 900 Washington Street, #780 Vancouver, WA 98660 Richard Hairston & Co. Richard Hairston hairstonco@aol.com

Safeway, Inc Cathy Ikeuchi

cathy.ikeuchi@safeway.com

Sempra Global William Tobin

wtobin@sempraglobal.com

Sierra Pacific Company Christopher A. Hilen chilen@sppc.com

Southern California Edison Co

Fileroom Supervisor

2244 Walnut Grove Ave., Rm 290, GO1

Rosemead, CA 91770

Southern California Edison Co

Karyn Gansecki

601 Van Ness Ave., #2040 San Francisco, CA 94102 Southern California Edison Co.

Colin E. Cushnie

Colin.Cushnie@SCE.com

Southern California Edison Co.

Kevin Cini

Kevin.Cini@SCE.com

Southern California Edison Co.

John Quinlan

john.quinlan@sce.com

Southern California Edison Company

Michael Alexander

Michael.Alexander@sce.com

Southwest Gas Corp.

John Hester P. O. Box 98510

Las Vegas, NV 89193-8510

Suburban Water System

Bob Kelly

1211 E. Center Court Drive

Covina, CA 91724

Sutherland, Asbill & Brennan

Keith McCrea

kmccrea@sablaw.com

TURN

Marcel Hawiger marcel@turn.org

TURN

Mike Florio mflorio@turn.org

The Mehle Law Firm PLLC

Colette B. Mehle

cmehle@mehlelaw.com

Western Manufactured Housing Communities Assoc.

Sheila Day sheila@wma.org

ATTACHMENT B Advice No. 3967

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 44463-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 44456-G
Revised 44464-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 44457-G
Revised 44465-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 44356-G
Revised 44466-G	TABLE OF CONTENTS	Revised 44458-G
Revised 44467-G	TABLE OF CONTENTS	Revised 44459-G

OMPANY Revised Revised

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

44463-G 44456-G

Sheet 7

LOS ANGELES, CALIFORNIA CANCELING Revised

PRELIMINARY STATEMENT <u>PART II</u> <u>SUMMARY OF RATES AND CHARGES</u>

(Continued)

IMBALANCE SERVICE

ALAIVEL SERVICE		
Standby Procurement Charge		
Core Retail Standby (SP-CR)		
December	90.563¢	D
January	*	
February		T
Noncore Retail Standby (SP-NR)		
December	90.641¢	D
January	81.191¢	
February	TBD*	T
Wholesale Standby (SP-W)		
December	90.641¢	D
January	81.191¢	
February	TBD*	T
*To be determined (TBD). Pursuant to Resolution G-3316, the Februa	ary Standby Procurement	T
Charge will be filed by a separate advice letter at least one day prior to		T
Buy-Back Rate		
Core and Noncore Retail (BR-R)		
December	26.213¢	D
January	26.877¢	
February		R
Wholesale (BR-W)		
December	26.150¢	D
January	26.813¢	
February	18.496¢	R

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3967 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 Feb 27, 2009

EFFECTIVE Feb 28, 2009

RESOLUTION NO.

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

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

D

D

T

D

T

T

44464-G

44457-G

(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	
December	. 90.563¢
January	. 81.113¢
February	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
December	. 90.641¢
January	. 81.191¢
February	
Wholesale Service:	
SP-W Standby Rate per therm	
December	. 90.641¢
January	. 81.191¢
February	

^{*}To be determined (TBD). Pursuant to Resolution G-3316, the February Standby Procurement Charge will be filed by a separate advice letter at least one day prior to March 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. 3967 DECISION NO. 89-11-060 & 90-09-089. et al. 2H6

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Feb 27, 2009 DATE FILED Feb 28, 2009 EFFECTIVE RESOLUTION NO.

Revised Revised

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

44465-G 44356-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 3

D

R

D

R

(Continued)

RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm

 December 2008
 26.213¢

 January
 26.877¢

 February
 18.540¢

Wholesale Service:

BR-W Buy-Back Rate, per therm

 December 2008
 26.150 ¢

 January
 26.813 ¢

 February
 18.496 ¢

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. 3967 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 Feb 27, 2009

EFFECTIVE Feb 28, 2009

RESOLUTION NO.

Revised

CAL. P.U.C. SHEET NO.

44466-G 44458-G

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TABLE OF CONTENTS

	(Continued)		
G-IMB	Transportation Imbalance Service		
	44453-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		
	43327-G,43328-G,43329-G,43330-G,43331-G,43332-G		
	43333-G,43334-G,43335-G,43336-G		
G-POOL	Pooling Service		
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		
	43343-G,43344-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 MGMD	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		
CLT 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		
	40832-G,40833-G,40834-G,40835-G,40836-G,40837-G		

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3967 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) Feb 27, 2009 DATE FILED Feb 28, 2009 EFFECTIVE RESOLUTION NO.

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

44467-G 44459-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.

GENERAL Cal. P.U.C. Sheet No.
Title Page
PRELIMINARY STATEMENT
Part I General Service Information
Part II Summary of Rates and Charges
Part III Cost Allocation and Revenue Requirement 27024-G,37920-G,27026-G,27027-G,44226-G
Part IV Income Tax Component of Contributions and Advances
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) 43689-G,43690-G

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3967 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 Feb 27, 2009

EFFECTIVE Feb 28, 2009

RESOLUTION NO.

ATTACHMENT C

ADVICE NO. 3967

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 3955 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE FEBRUARY 1, 2009

Adjusted Core Procurement Charge:

Retail G-CPA: 37.080 ¢ per therm (WACOG: 36.451 ¢ + Franchise and Uncollectibles: 0.629 ¢ or [1.7262% * 36.451 ¢])

Wholesale G-CPA: 36.992 ¢ per therm (WACOG: 36.451 ¢ + Franchise and Uncollectibles: 0.541 ¢ or [1.4837% * 36.451 ¢])

GIMB Buy-Back Rates

BR-R = 50% of Retail G-CPA: 50% * 37.080 cents/therm = **18.540** cents/therm

BR-W = 50% of Wholesale G-CPA: 50% * 36.992 cents/therm = **18.496** cents/therm