PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

September 24, 2009



Advice Letter 4012

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

Subject: August 2009 Buy-Back Rates

Dear Mr. van der Leeden:

Advice Letter 4012 is effective August 31, 2009.

Sincerely,

Jen A. HA

Julie A. Fitch, Director Energy Division



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

August 31, 2009

Advice No. 4012 (U 904 G)

Public Utilities Commission of the State of California

Subject: August 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 August 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 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 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 August 2009 Standby Procurement Charges will be filed by separate advice letter at least one day prior to September 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 (<u>mas@cpuc.ca.gov</u>) and to Honesto Gatchalian (<u>inj@cpuc.ca.gov</u>) of the Energy Division. A copy of the protest should also be sent via both e-mail <u>and</u> 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: <u>snewsom@SempraUtilities.com</u>

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, 2009, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 4006, dated July 31, 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			
MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)				
Company name/CPUC Utility No. SC	UTHERN CALIFO	RNIA GAS COMPANY (U 904-G)		
Utility type:	Contact Person:_	Sid Newsom		
\Box ELC \boxtimes GAS	Phone #: (213) <u>2</u>	44-2846		
DPLC HEAT WATER	E-mail: snewsor	n@semprautilities.com		
EXPLANATION OF UTILITY TY	ΈE	(Date Filed/ Received Stamp by CPUC)		
ELC = Electric $GAS = Gas$				
PLC = Pipeline HEAT = Heat	WATER = Water			
Advice Letter (AL) #: 4012				
Subject of AL: <u>August 2009 Buy</u>	-Back Rates			
Keywords (choose from CPUC listing)): Preliminary Sta	tement, Core, Compliance		
-		Dne-Time 🗌 Other		
AL filed in compliance with a Commi	-			
D89-11-060 and D90-09-089, e				
		ntify the prior AL <u>No</u>		
		ithdrawn or rejected AL^1 : <u>N/A</u>		
Summarize unterences between the r	AL and the prior w	Indrawn of rejected AL ⁻		
Does AL request confidential treatme	ent? If so, provide o	explanation: <u>No</u>		
Resolution Required? Yes No Tier Designation: 1 2 3				
Requested effective date: <u>August 31</u> ,	2009	No. of tariff sheets: <u>5</u>		
Estimated system annual revenue ef				
Estimated system average rate effect				
• •		AL showing average rate effects on customer		
classes (residential, small commercia		0 0		
Tariff schedules affected: Preliminary Statement, Part II; Schedule G-IMB; and TOCs				
	0			
Service affected and changes proposed ¹ :N/A				
Pending advice letters that revise the same tariff sheets: <u>4010</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		Los Angeles, CA 90013-1011		
mas@cpuc.ca.gov and jnj@cpuc.ca.gov	V S	snewsom@semprautilities.com		

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

ATTACHMENT A

Advice No. 4012

(See Attached Service List)

Advice Letter Distribution List - Advice 4012

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TURN Marcel Hawiger marcel@turn.org

ATTACHMENT B Advice No. 4012

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 44946-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 44936-G
Revised 44947-G	Schedule No. G-IMB, TRANSPORTATION	Revised 44937-G
Revised 44948-G	IMBALANCE SERVICE, Sheet 2 Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 44863-G
Revised 44949-G	TABLE OF CONTENTS	Revised 44938-G
Revised 44950-G	TABLE OF CONTENTS	Revised 44939-G

LOS ANGELES, CALIFORNIA CANCELING Revised

et al

7H10

44946-G CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

44936-G

RESOLUTION NO.

PI	RELIMINARY STATEMENT <u>PART II</u>	Sheet 7
<u>SUMM</u>	ARY OF RATES AND CHARGES	
	(Continued)	
90		
MBALANCE SERVICE		
Standby Procurement Charge		
Core Retail Standby (SP-CR)		
		,
•		
	TBI) *
Noncore Retail Standby (SP-N		
•		
-	TBI	D*
Wholesale Standby (SP-W)		
June 2009		29¢
July 2009		56¢
August 2009	TBI	D *
*To be determined (TBD). Pur	suant to Resolution G-3316, the August Sta	ndby Procurement
Charge will be filed by a separa	ate advice letter at least one day prior to Sep	tember 25.
Buy-Back Rate Core and Noncore Retail (BR-F	२)	
		54¢
July 2009		54¢
August 2009		33¢
Wholesale (BR-W)		
•		
August 2009		36¢
	(Continued)	
(TO BE INSERTED BY UTILITY)	· · · · · · · · · · · · · · · · · · ·	BE INSERTED BY CAL. PUC)
VICE LETTER NO. 4012	Lee Schavrien DATE FILE	
CISION NO. 89-11-060 & 90-09-089,	Senior Vice President EFFECTIVE	

Regulatory Affairs

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

D

Т

D

Т

D

Т

Т

Т

(Continued)

<u>RATES</u>

Imbalance quantities remaining at the end of the designated imbalance trading period and which are outside of the 10% tolerance band will be billed at the Standby Procurement Charge or purchased by the Utility at the Buy-Back Rate. Any Standby Procurement Charge or purchases at the Buy-Back Rate of core imbalances created by the Utility Gas Procurement Department will be managed within the Utility System Operator's Operational Hub Services. Such core imbalances will be disposed of, with the net revenues from the core imbalance charges flowing back through the Noncore Fixed Cost Account (NFCA).

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	
June 2009	53.251¢
July 2009	56.888¢
August 2009	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
June 2009	53.329¢
July 2009	56.966¢
August 2009	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
June 2009	53.329¢
July 2009	56.966¢
August 2009	TBD*
-	

*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.

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) DATE FILED <u>Aug 31, 2009</u> EFFECTIVE <u>Aug 31, 2009</u> RESOLUTION NO. LOS ANGELES, CALIFORNIA CANCELING

44863-G CAL. P.U.C. SHEET NO.

Schedule No. G-IMB Sheet 3 TRANSPORTATION IMBALANCE SERVICE (Continued) RATES (Continued) 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 the 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. **Retail Service:** BR-R Buy-Back Rate, per therm D July 2009 17.664¢ Ι Wholesale Service: BR-W Buy-Back Rate, per therm D July 2009 17.622¢ August 2009 19.536¢ I If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, the 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. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere. (Continued) ISSUED BY (TO BE INSERTED BY CAL. PUC) (TO BE INSERTED BY UTILITY) Aug 31, 2009 ADVICE LETTER NO. 4012 Lee Schavrien DATE FILED Aug 31, 2009 DECISION NO. 89-11-060 & 90-09-089. EFFECTIVE Senior Vice President et al **Regulatory Affairs RESOLUTION NO.** 3H10

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ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Aug 31, 2009</u> EFFECTIVE <u>Aug 31, 2009</u> RESOLUTION NO. Т

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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.

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Part V Balancing Accounts	
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Natural Gas Vehicle Account (NGVA)	
El Paso Turned-Back Capacity Balancing Account (EPTCBA)	
Gas Cost Rewards and Penalties Account (GCRPA)	
Pension Balancing Account (PBA)	
1 clision Datalicing Account (1 DA)	

(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Aug 31, 2009</u> EFFECTIVE <u>Aug 31, 2009</u> RESOLUTION NO.

ATTACHMENT C

ADVICE NO. 4012

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 4006 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE AUGUST 1, 2009

Adjusted Core Procurement Charge:

 Retail G-CPA:
 39.166 ¢ per therm

 (WACOG: 38.501 ¢ + Franchise and Uncollectibles:
 0.665 ¢ or [1.7262% * 38.501 ¢])

Wholesale G-CPA: 39.072 ¢ per therm (WACOG: 38.501 ¢ + Franchise: 0.571 ¢ or [1.4837% * 38.501 ¢])

GIMB Buy-Back Rates

BR-R = 50% of Retail G-CPA: 50% * 39.166 cents/therm = **19.583** cents/therm

BR-W = 50% of Wholesale G-CPA: 50% * 39.072 cents/therm = **19.536** cents/therm