

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 22, 2009

Advice Letter 4018

Ronald van der Leeden, Director
Rates, Revenues and Tariffs
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Subject: August 2009 Standby Procurement Charges

Dear Mr. van der Leeden:

Advice Letter 4018 is effective September 22, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Ronald van der Leeden
Director
Rates, Revenues and Tariffs

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September 22, 2009

Advice No. 4018
(U 904 G)

Public Utilities Commission of the State of California

Subject: August 2009 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 August 2009.

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:

1. 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 August 2009 (covering the period August 1, 2009, to September 20, 2009), the highest daily border price index at the Southern California border is \$0.37800 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$0.56966 per therm for noncore retail service and all wholesale service, and \$0.56888 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 (mas@cpuc.ca.gov) and Honesto Gatchalian (jnj@cpuc.ca.gov) 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 September 22, 2009, 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 September 25, 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. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4018

Subject of AL: August 2009 Standby Procurement Charges

Keywords (choose from CPUC listing): Preliminary Statement; Standby Service; Procurement

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

G-3316

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

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? Yes No

Tier Designation: 1 2 3

Requested effective date: September 22, 2009

No. of tariff sheets: 4

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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 proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 4010 and 4012

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

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4018

(See Attached Service List)

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ATTACHMENT B
Advice No. 4018

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45018-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 44946-G
Revised 45019-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 44947-G
Revised 45020-G	TABLE OF CONTENTS	Revised 44934-G
Revised 45021-G	TABLE OF CONTENTS	Revised 45017-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

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IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

June 2009	53.251¢
July 2009	56.888¢
August 2009	56.888¢

Noncore Retail Standby (SP-NR)

June 2009	53.329¢
July 2009	56.966¢
August 2009	56.966¢

Wholesale Standby (SP-W)

June 2009	53.329¢
July 2009	56.966¢
August 2009	56.966¢

Buy-Back Rate

Core and Noncore Retail (BR-R)

June 2009	16.854¢
July 2009	17.664¢
August 2009	19.583¢

Wholesale (BR-W)

June 2009	16.814¢
July 2009	17.622¢
August 2009	19.536¢

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4018
 DECISION NO.

747

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 22, 2009
 EFFECTIVE Sep 22, 2009
 RESOLUTION NO. G-3316

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(Continued)

RATES

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 0.266¢ 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

June 2009	53.251¢
July 2009	56.888¢
August 2009	56.888¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

June 2009	53.329¢
July 2009	56.966¢
August 2009	56.966¢

Wholesale Service:

SP-W Standby Rate per therm

June 2009	53.329¢
July 2009	56.966¢
August 2009	56.966¢

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4018
 DECISION NO.
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ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 22, 2009
 EFFECTIVE Sep 22, 2009
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TABLE OF CONTENTS

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G-RPA	Receipt Point Access	42260-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	42276-G,42277-G, 42278-G
G-BSS	Basic Storage Service	43337-G,32701-G,43047-G,43048-G 43049-G,43050-G,43051-G
G-AUC	Auction Storage Service	43338-G,32709-G,32710-G,32711-G 32712-G,32713-G,36314-G,32715-G
G-LTS	Long-Term Storage Service	32716-G,32717-G,32718-G,43052-G 43053-G,43054-G,43055-G
G-TBS	Transaction Based Storage Service	43339-G,43340-G,43341-G,43342-G 43343-G,44933-G
G-CBS	UDC Consolidated Billing Service	34071-G,34072-G,34073-G,33095-G
G-SMT	Secondary Market Transactions of Storage Rights	43345-G,43346-G,43347-G
G-PPPS	Public Purpose Programs Surcharge	44042-G,39517-G,39518-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account	42000-G
G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program	32828-G
G-MSUR	Transported Gas Municipal Surcharge	43777-G,25006-G
GIT	Interruptible Interutility Transportation	24567-G,24568-G
GLT	Long-Term Transportation of Customer-Owned Natural Gas	24569-G,24570-G,42279-G
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	43348-G,43349-G,43350-G
G-FIG	Fiber Optic Cable in Gas Pipelines	40828-G,40829-G,40830-G,40831-G 40832-G,40833-G,40834-G,40835-G,40836-G,40837-G

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4018
 DECISION NO.
 346

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 22, 2009
 EFFECTIVE Sep 22, 2009
 RESOLUTION NO. G-3316

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>	<u>Cal. P.U.C. Sheet No.</u>
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Table of Contents--General and Preliminary Statement	45021-G,44986-G,44760-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	45007-G,45008-G,45020-G
Table of Contents--List of Cities and Communities Served	40149.1-G
Table of Contents--List of Contracts and Deviations	40149.1-G
Table of Contents--Rules	43402-G,43403-G
Table of Contents--Sample Forms	44715-G,44339-G,44340-G,44441-G,44442-G

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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	44448-G,24354-G
Part V Balancing Accounts	
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Noncore Fixed Cost Account (NFCA)	44461-G
Enhanced Oil Recovery Account (EORA)	42244-G
Noncore Storage Balancing Account (NSBA)	44191-G,44192-G
California Alternate Rates for Energy Account (CAREA)	40872-G,40873-G
Brokerage Fee Account (BFA)	40874-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
Natural Gas Vehicle Account (NGVA)	43688-G,40879-G
El Paso Turned-Back Capacity Balancing Account (EPTCBA)	40880-G
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G
Pension Balancing Account (PBA)	45013-G,45014-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) .	45015-G,45016-G
Conservation Expense Account (CEA)	40886-G,40887-G

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4018
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ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 22, 2009
 EFFECTIVE Sep 22, 2009
 RESOLUTION NO. G-3316

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ATTACHMENT C

ADVICE NO. 4018

**RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING
EFFECTIVE AUGUST 2009**

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 August 7, 2009

08/07/09 NGI’s Daily Gas Price Index (NDGPI) = \$0.3780 per therm

08/07/09 Gas Daily’s Daily Price Survey (GDDPS) = \$0.3780 per therm

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

HDBPI = \$0.37800 per therm

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

SP-CR = 150% x \$0.37800 + \$0.00188 = \$0.56888

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

SP-NR = 150% x \$0.37800 + \$0.00266 = \$0.56966

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

SP-W = 150% x \$0.37800 + \$0.00266 = \$0.56966