PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

February 9, 2010

ARNOLD SCHWARZENEGGER, Governor



Advice Letter 4043

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

Subject: November 2009 Buy-Back Rates

Dear Mr. van der Leeden:

Advice Letter 4043 is effective November 30, 2009.

Sincerely,

Jer 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

November 30, 2009

Advice No. 4043 (U 904 G)

Public Utilities Commission of the State of California

Subject: November 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 November 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 November, the lowest incremental cost of gas, which is 22.923 cents per therm, is lower than 50% of the Adjusted Core Procurement Charge, G-CPA. Therefore, the Buy-Back Rates for November 2009 are being set 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 2009 Standby Procurement Charges will be filed by separate advice letter at least one day prior to December 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 November 30, 2009, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 4029, dated October 30, 2009.

<u>Notice</u>

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 904-G)				
Utility type:	Contact Person: <u>Sid Newsom</u>			
\Box ELC \Box GAS	Phone #: (213) <u>244-2846</u>			
PLC HEAT WATER E-mail: snewsom@semprautilities.com				
EXPLANATION OF UTILITY TY	PE	(Date Filed/ Received Stamp by CPUC)		
ELC = ElectricGAS = GasPLC = PipelineHEAT = HeatWATER = Water				
Advice Letter (AL) #: <u>4043</u>				
Subject of AL: <u>November 2009 B</u>	uy-Back Rates			
	0			
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>		
Does AL request confidential treatme	ent? If so, provide e	explanation: No		
Resolution Required? 🗌 Yes 🖂 No		Tier Designation: $\square 1 \square 2 \square 3$		
Requested effective date: <u>November</u>	<u>30, 2009</u>	No. of tariff sheets: <u>5</u>		
Estimated system annual revenue ef	fect: (%): <u>Non</u>	e		
Estimated system average rate effect	(%): <u>None</u>			
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: Preli	minary 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: <u>4027, 4028, and 4040</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	v	Southern California Gas Company		
Attention: Tariff Unit	I	Attention: Sid Newsom		
505 Van Ness Ave.		555 West Fifth Street, GT14D6		
San Francisco, CA 94102 mas@cpuc.ca.gov and jnj@cpuc.ca.gov		Los Angeles, CA 90013-1011 snewsom@semprautilities.com		
masecpuc.ca.gov and jnjecpuc.ca.gov	v S	onewsomesemprautinties.com		

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

ATTACHMENT A

Advice No. 4043

(See Attached Service List)

Advice Letter Distribution List - Advice 4043

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ATTACHMENT B Advice No. 4043

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45224-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 45216-G
Revised 45225-G	Schedule No. G-IMB, TRANSPORTATION	Revised 45217-G
Revised 45226-G	IMBALANCE SERVICE, Sheet 2 Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 45100-G
Revised 45227-G	TABLE OF CONTENTS	Revised 45222-G
Revised 45228-G	TABLE OF CONTENTS	Revised 45223-G

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P.U.C. SHEET NO.

LOS ANGELES, CALIFORNIA CANCELING Revised

et al

7H8

 I
 CAL. P.U.C. SHEET NO.
 45224-G

 I
 CAL. P.U.C. SHEET NO.
 45216-G

RESOLUTION NO.

PRE	LIMINARY STATEMENT	Sheet 7	
	<u>PART II</u>		
SUMMA	RY OF RATES AND CHARGE	<u>S</u>	
	(Continued)		
IMBALANCE SERVICE			
Standby Procurement Charge			
Core Retail Standby (SP-CR)			
• • • •		66 938¢	D
		-	
			Т
Noncore Retail Standby (SP-NR)		(7.016)	D
I I I I I I I I I I I I I I I I I I I			
			T
Wholesale Standby (SP-W)			_
			D
November 2009		TBD*	T
*To be determined (TBD). Pursu	ant to Resolution G-3316 the No	ovember Standby Procurement	Т
Charge will be filed by a separate		•	T
Buy-Back Rate			
Core and Noncore Retail (BR-R)			
September 2009		14.810¢	D
October 2009		19.732¢	
November 2009		22.923¢	Ι
Wholesale (BR-W)			
		14 774¢	D
			Ι
November 2009		22.923¢	
	(Continued)		
(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4043	ISSUED BY Lee Schavrien	(TO BE INSERTED BY CAL. PUC) DATE FILED Nov 30, 2009	
DECISION NO. 89-11-060 & 90-09-089,		EFFECTIVE Nov 30, 2009	
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Regulatory Affairs

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

D

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(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	
September 2009	66.938¢
October 2009	
November 2009	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
September 2009	67.016¢
October 2009	
November 2009	TBD*
Wholesale Service:	
SP-W Standby Rate per therm	
September 2009	67.016¢
October 2009	
November 2009	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.

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) DATE FILED <u>Nov 30, 2009</u> EFFECTIVE <u>Nov 30, 2009</u> RESOLUTION NO. LOS ANGELES, CALIFORNIA CANCELING

45100-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 Ι Wholesale Service: BR-W Buy-Back Rate, per therm D 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) Nov 30, 2009 ADVICE LETTER NO. 4043 Lee Schavrien DATE FILED Nov 30, 2009 DECISION NO. 89-11-060 & 90-09-089. EFFECTIVE Senior Vice President et al **Regulatory Affairs RESOLUTION NO.** 3H8

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ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Nov 30, 2009</u> EFFECTIVE <u>Nov 30, 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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ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) DATE FILED <u>Nov 30, 2009</u> EFFECTIVE <u>Nov 30, 2009</u> RESOLUTION NO.

ATTACHMENT C

ADVICE NO. 4043

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 4029 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE NOVEMBER 1, 2009

Adjusted Core Procurement Charge:

 Retail G-CPA:
 47.368 ¢ per therm

 (WACOG: 46.564 ¢ + Franchise and Uncollectibles:
 0.804 ¢ or [1.7262% * 46.564 ¢])

Wholesale G-CPA: 47.255 ¢ per therm (WACOG: 46.564 ¢ + Franchise: 0.691 ¢ or [1.4837% * 46.564 ¢])

GIMB Buy-Back Rates

Lowest incremental cost of gas purchased during November 2009 is <u>22.923</u> cents/therm, which is lower than the following:

BR-R = 50% of Retail G-CPA: 50% * 47.368 cents/therm = **23.684** cents/therm

BR-W = 50% of Wholesale G-CPA: 50% * 47.255 cents/therm = **23.628** cents/therm

Therefore: **BR-R** and **BR-W** = <u>22.923</u> cents/therm