#### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

March 26, 2010



# **Advice Letter 4079**

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

**Subject: January 2010 Standby Procurement Charges** 

Dear Mr. van der Leeden:

Advice Letter 4079 is effective February 23, 2010.

Sincerely,

Julie A. Fitch, Director Energy Division

Jen A. Jes





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 23, 2010

Advice No. 4079 (U 904 G)

Public Utilities Commission of the State of California

#### **Subject: January 2010 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 January 2010.

#### **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."
- 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 January 2010 (covering the period January 1, 2010, to February 20, 2010), the highest daily border price index at the Southern California border is \$0.67075 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$1.00879 per therm for noncore retail service and all wholesale service, and \$1.00801 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 (<a href="mailto:mas@cpuc.ca.gov">mas@cpuc.ca.gov</a>) and Honesto Gatchalian (<a href="mailto:jnj@cpuc.ca.gov">jnj@cpuc.ca.gov</a>) 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 February 23, 2010, 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 February 25, 2010.

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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. <b>SO</b>	UTHERN CALIFO	RNIA GAS COMPANY (U 904G)	
Utility type:	ity type: Contact Person: Sid Newsom		
☐ ELC	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 = Electric GAS = Gas PLC = Pipeline HEAT = Heat W	VATER = Water		
Advice Letter (AL) #: 4079	<u> </u>		
Subject of AL: <u>January 2010 Standle</u>	oy Procurement Cl	narges	
Keywords (choose from CPUC listing)	: Preliminary Sta	tement; Standby Service; Procurement	
AL filing type: ⊠ Monthly □ Quarter	rly 🗌 Annual 🗌 C	One-Time 🗌 Other	
If AL filed in compliance with a Comp _G-3316	nission order, indi	cate relevant Decision/Resolution #:	
	ted AL? If so, ider	ntify the prior AL <u>No</u>	
Summarize differences between the A	L and the prior wi	ithdrawn or rejected AL¹: <u>N/A</u>	
Does AL request confidential treatme	nt? If so, provide $\epsilon$	explanation: No	
Resolution Required?   Yes   No		Tier Designation: 🛛 1 🔲 2 🔲 3	
Requested effective date: February 2	Requested effective date: <u>February 23, 2010</u> No. of tariff sheets: <u>4</u>		
Estimated system annual revenue eff	ect: (%): <u>N/A</u>		
Estimated system average rate effect	(%): <u>N/A</u>		
When rates are affected by AL, include attachment in AL showing average rate effects on customer			
classes (residential, small commercia			
Tariff schedules affected: <u>Preliminary Statement, Part II; Schedule G-IMB; and TOCs</u>			
Service affected and changes proposed <sup>1</sup> : N/A			
Pending advice letters that revise the same tariff sheets: 4063 and 4068			
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., San Francisco, CA 94102		555 West 5 <sup>th</sup> Street, GT14D6 Los Angeles, CA 90013-1011	
mas@cpuc.ca.gov and jnj@cpuc.ca.gov		SNewsom@semprautilities.com	

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

# **ATTACHMENT A**

Advice No. 4079

(See Attached Service List)

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# ATTACHMENT B Advice No. 4079

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45763-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 45718-G
Revised 45764-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 45664-G*
Revised 45765-G	TABLE OF CONTENTS	Revised 45761-G
Revised 45766-G	TABLE OF CONTENTS	Revised 45762-G

#### SOUTHERN CALIFORNIA GAS COMPANY

Revised CAL. P.U.C. SHEET NO. 45763-G LOS ANGELES, CALIFORNIA CANCELING Revised 45718-G CAL. P.U.C. SHEET NO.

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 7

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(Continued)

WHOLESALE	(Continued)
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Schedule GT-TLS (ECOGAS) GT-12CA, Class-Average Volumetric Rate Option	
Volumetric Charge	2.199¢
GT-12RS, Reservation Rate Option	
Reservation Rate, per therm per day	1.314¢
Usage Charge, per therm	
Volumetric Transportation Charge for Non-Bypass Customers	2.639¢
Volumetric Transportation Charge for Bypass Customers	
DDOCLIDEMENT CHADGE	

#### PROCUREMENT CHARGE

Schedule G-CP	
Non-Residential Core Procurement Charge, per therm	59.331¢
Non-Residential Cross-Over Rate, per therm	59.331¢
Residential Core Procurement Charge, per therm	59.331¢
Residential Cross-Over Rate, per therm	59.331¢
Adjusted Core Procurement Charge, per therm	58.676¢

#### IMBALANCE SERVICE

Standby Procurement Charge	
Core Retail Standby (SP-CR)	
November 2009	87.001¢
December 2009	100.801¢
January 2010	100.801¢
Noncore Retail Standby (SP-NR)	
November 2009	87.079¢
December 2009	100.879¢
January 2010	100.879¢
Wholesale Standby (SP-W)	
November 2009	87.079¢
December 2009	100.879¢

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4079 DECISION NO.

7H7

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Feb 23, 2010 DATE FILED Feb 23, 2010 EFFECTIVE RESOLUTION NO. G-3316

Revised LOS ANGELES, CALIFORNIA CANCELING

Revised

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

45764-G 45664-G\*

## 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  $0.151\phi$  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."

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SD CD Standby Data par thorm

SP-CR Standby Rate, per therm	
November 2009	87.001¢
December 2009	100.801¢
January 2010	100.801¢
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
November 2009	87.079¢
December 2009	100.879¢
January 2010	100.879¢
Wholesale Service:	
SP-W Standby Rate per therm	
November 2009	87.079¢
December 2009	100.879¢
January 2010	100.879¢

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4079 DECISION NO.

2H7

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Feb 23, 2010 DATE FILED Feb 23, 2010 EFFECTIVE

RESOLUTION NO. G-3316

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G-IMB

G-OSD

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(Continued)

	Transportation Imbalance Service	43318-G,45764-G,45665-G,45749-G
		45759-G,45760-G,43324-G,43325-G,43326-G
)	Off-System Delivery Service	

G-RPA Receipt Point Access ..........42260-G,42261-G,45508-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** G-BSS 43049-G,43050-G,43051-G

**G-AUC** 32712-G,32713-G,36314-G,32715-G

**G-LTS** 43053-G,43054-G,43055-G

**G-TBS** 43343-G.44933-G

**G-CBS** G-SMT Secondary Market Transactions

**G-PPPS** G-SRF Surcharge to Fund Public Utilities Commission

**G-MHPS** 

Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety

**G-MSUR GIT** 

**GLT** Long-Term Transportation of Customer-Owned

GLT-1 Transportation of Customer-Owned Natural Gas .......... 24572-G,24573-G,24574-G 24575-G,24576-G,24577-G

Transportation of Customer-Owned Natural Gas .......... 24578-G,24579-G,24580-G GLT-2

24581-G,24582-G,24583-G G-PAL 

**G-FIG** 40832-G,40833-G,40834-G,40835-G,40836-G,40837-G

(TO BE INSERTED BY UTILITY) 4079 ADVICE LETTER NO. DECISION NO.

3H6

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Feb 23, 2010 DATE FILED Feb 23, 2010 EFFECTIVE RESOLUTION NO. G-3316

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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 45267-G,45268-G,45269-G,45613-G,45614-G
Part IV Income Tax Component of Contributions and Advances
Part V Balancing Accounts
Description and Listing of Balancing Accounts 45272-G* Purchased Gas Account (PGA) 45754-G,45755-G Core Fixed Cost Account (CFCA) 45273-G,45274-G Noncore Fixed Cost Account (NFCA) 45275-G,45276-G Enhanced Oil Recovery Account (EORA) 45277-G Noncore Storage Balancing Account (NSBA) 44191-G,44192-G California Alternate Rates for Energy Account (CAREA) 40872-G,40873-G Hazardous Substance Cost Recovery Account (HSCRA) 40875-G, 40876-G,40877-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

(Continued)

 $\begin{array}{ll} \mbox{(TO BE INSERTED BY UTILITY)} \\ \mbox{ADVICE LETTER NO.} & 4079 \\ \mbox{DECISION NO.} \end{array}$ 

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} & Feb \ 23, \ 2010 \\ \text{EFFECTIVE} & Feb \ 23, \ 2010 \\ \text{RESOLUTION NO.} & G-3316 \\ \end{array}$ 

#### ATTACHMENT C

#### **ADVICE NO. 4079**

# RATE CALCULATION WORKPAPER SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING EFFECTIVE JANUARY 2010

# **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 January 8, 2010

01/08/10 NGI's Daily Gas Price Index (NDGPI) = \$0.6320 per therm

01/08/10 Gas Daily's Daily Price Survey (GDDPS) = \$0.7095 per therm

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

**HDBPI** = \$0.67075 per therm

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

**SP-CR** = 150% x \$0.67075 + \$0.00188 = **\$1.00801** 

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

**SP-NR** = 150% x \$0.67075 + \$0.00266 = **\$1.00879** 

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

**SP-W** = 150% x \$0.67075 + \$0.00266 = **\$1.00879**