#### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

May 11, 2010

ARNOLD SCHWARZENEGGER, Governor



**Advice Letter 4091** 

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

## Subject: February 2010 Standby Procurement Charges

Dear Mr. van der Leeden:

Advice Letter 4091 is effective March 23, 2010.

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

March 23, 2010

Advice No. 4091 (U 904 G)

Public Utilities Commission of the State of California

## Subject: February 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 February 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:

- 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 0.151¢ 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 February 2010 (covering the period February 1, 2010, to March 20, 2010), the highest daily border price index at the Southern California border is \$0.57575 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$0.86629 per therm for noncore retail service and all wholesale service, and \$0.86514 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 (<u>mas@cpuc.ca.gov</u>) and Honesto Gatchalian (<u>inj@cpuc.ca.gov</u>) 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 March 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 March 25, 2010.

## <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. SO	UTHERN CALIFO	RNIA GAS COMPANY (U 904G)			
Utility type:	Utility type: Contact Person: <u>Sid Newsom</u>				
$\Box$ ELC $\boxtimes$ GAS	Phone #: (213) <u>24</u>	4-2846			
DPLC 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 V	VATER = Water				
Advice Letter (AL) #: 4091					
Subject of AL: _February 2010 Stand	lby Procurement C	Charges			
5	5	6			
Keywords (choose from CPUC listing)	: Preliminary Sta	tement; Standby Service; Procurement			
		Dne-Time 🗌 Other			
If AL filed in compliance with a Com	•				
G-3316					
	ted AI? If so iden	ntify the prior AL <u>No</u>			
Summarize differences between the A					
Summarize unterences between the r	al and the prior w	Indrawn of Tejected AL <sup>-</sup> . <u>IV/A</u>			
		loss etters. N			
Does AL request confidential treatme	ent? Il so, provide e	explanation: No			
Resolution Required? 🗌 Yes 🛛 No		Tier Designation: 🛛 1 🗌 2 🔲 3			
Requested effective date: <u>March 23</u> ,	2010	No. of tariff sheets: <u>4</u>			
Estimated system annual revenue ef					
Estimated system average rate effect					
i i		AL showing average rate effects on customer			
classes (residential, small commercia		0 0			
Tariff schedules affected: <u>Preliminar</u>					
Service affected and changes proposed <sup>1</sup> : <u>N/A</u>					
Pending advice letters that revise the same tariff sheets: <u>4079 and 4081</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 505 Van Ness Ave.,		Attention: Sid Newsom 555 West 5 <sup>th</sup> Street, GT14D6			
San Francisco, CA 94102		Los Angeles, CA 90013-1011			
mas@cpuc.ca.gov and jnj@cpuc.ca.gov		SNewsom@semprautilities.com			
· · · · · · · · · · · · · · · · · · ·					

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

ATTACHMENT A

Advice No. 4091

(See Attached Service List)

#### Advice Letter Distribution List - Advice 4091

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#### Advice Letter Distribution List - Advice 4091

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Western Manufactured Housing Communities Assoc. Sheila Day sheila@wma.org

## ATTACHMENT B Advice No. 4091

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45896-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 45855-G
Revised 45897-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 45783-G
Revised 45898-G	TABLE OF CONTENTS	Revised 45888-G
Revised 45899-G	TABLE OF CONTENTS	Revised 45889-G

LOS ANGELES, CALIFORNIA CANCELING Revised

CAL. P.U.C. SHEET NO. 4 CAL. P.U.C. SHEET NO. 4

45896-G 45855-G

PRELIMI	NARY STATEMENT	Sheet 7
SUMMARY	PART II E DATES AND CHARGES	
	FRATES AND CHARGES	
	(Continued)	
WHOLESALE (Continued)		
Schedule GT-TLS (ECOGAS)		
GT-12CA, Class-Average Volumetric Rate	-	
Volumetric Charge	2.199¢	
CT 12DS Decomposition Data Option		
GT-12RS, Reservation Rate Option	1 2144	
Reservation Rate, per therm per day		
Usage Charge, per therm Volumetric Transportation Charge for Non		
Volumetric Transportation Charge for Byp	• •	
volumetric transportation charge for Byp	ass Customers 2.908¢	
PROCUREMENT CHARGE		
Schedule G-CP		
Non-Residential Core Procurement Charge		
Non-Residential Cross-Over Rate, per ther		
Residential Core Procurement Charge, per		
Residential Cross-Over Rate, per therm		
Adjusted Core Procurement Charge, per th	erm 41.364¢	
IMD AL ANCE SEDVICE		
IMBALANCE SERVICE		
Standby Procurement Charge		
Core Retail Standby (SP-CR)		
	100.801¢	
· ·		
Noncore Retail Standby (SP-NR)		
• • •	100.879¢	
	100.879¢	
-		
Wholesale Standby (SP-W)		
	100.879¢	
January 2010		
-		
	(Continued)	
(TO BE INSERTED BY UTILITY)	ISSUED BY (TO BE INSERTE	

ADVICE LETTER NO. 4091 DECISION NO. 7H7 ISSUED BY Lee Schavrien Senior Vice President

**Regulatory Affairs** 

(TO BE INSERTED BY CAL. PUC) DATE FILED <u>Mar 23, 2010</u> EFFECTIVE <u>Mar 24, 2010</u> RESOLUTION NO. <u>G-3316</u>

С

C D

#### Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

С

С

C D

#### (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  $0.266\phi$  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."

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

(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)					
DATE FILED	Mar 23, 2010				
EFFECTIVE	Mar 24, 2010				
RESOLUTION N	NO. G-3316				

## TABLE OF CONTENTS

#### (Continued)

G-IMB	Transportation Imbalance Service 43318-G,45897-G,45784-G,45885-G
	45886-G,45887-G,43324-G,43325-G,43326-G
G-OSD	Off-System Delivery Service
G-RPA	Receipt Point Access
	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 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
	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
G-PPPS	Public Purpose Programs Surcharge 45149-G,39517-G,39518-G
G-SRF	Surcharge to Fund Public Utilities Commission
	Utilities Reimbursement Account 45362-G
G-MHPS	Surcharge to Fund Public Utilities Commission
	Master Metered Mobile Home Park Gas Safety
	Inspection and Enforcement Program
G-MSUR	Transported Gas Municipal Surcharge 43777-G,25006-G
GIT	Interruptible Interutility Transportation
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
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 CAL. PUC)					
DATE FILED	Mar 23, 2010				
EFFECTIVE	Mar 24, 2010				
<b>RESOLUTION N</b>	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 Table of ContentsGeneral and Preliminary Staten
Table of ContentsGeneral and Fremmary States Table of ContentsService Area Maps and Descrip
Table of ContentsRate Schedules
Table of ContentsKate Schedules
Table of ContentsList of Contracts and Deviation
Table of ContentsRules
Table of ContentsSample Forms
PRELIMINARY STATEMENT
Part I General Service Information
Part II Summary of Rates and Charges 45
45896-G,45782-G,45606-G,45
Part III Cost Allocation and Revenue Requirement
Part IV Income Tax Component of Contributions a
Part V Balancing Accounts
Description and Listing of Balancing Account
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 Accourt
Hazardous Substance Cost Recovery Account
Gas Cost Rewards and Penalties Account (GC
Pension Balancing Account (PBA)
Post-Retirement Benefits Other Than Pension
Conservation Expense Account (CEA)
t (NSBA) gy Accourt y Account count (GC n Pension

(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)					
DATE FILED	Mar 23, 2010				
EFFECTIVE	Mar 24, 2010				
RESOLUTION N	10. <u>G-3316</u>				

## ATTACHMENT C

## ADVICE NO. 4091

# RATE CALCULATION WORKPAPER SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING EFFECTIVE FEBRUARY 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 February 9, 2010

02/09/10 NGI's Daily Gas Price Index (NDGPI) = \$0.5760 per therm

02/09/10 Gas Daily's Daily Price Survey (GDDPS) = \$0.5755 per therm

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

HDBPI = \$0.57575 per therm

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

**SP-CR** = 150% x \$0.57575 + \$0.00151 = **\$0.86514** 

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

SP-NR	=	150%	х	\$0.57575	+	\$0.00266	=	\$0.86629
-------	---	------	---	-----------	---	-----------	---	-----------

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

**SP-W** = 150% x \$0.57575 + \$0.00266 = **\$0.86629**