

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 17, 2010

Advice Letter 4118

Rasha Prince, Director
Regulatory Affairs
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Subject: May 2010 Buy-Back Rates

Dear Mr. Prince:

Advice Letter 4118 is effective May 31, 2010.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



Rasha Prince
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
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RPrince@semprautilities.com

May 28, 2010

Advice No. 4118
(U 904 G)

Public Utilities Commission of the State of California

Subject: May 2010 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 May 2010.

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 May, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for May 2010 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 May 2010 Standby Procurement Charges will be filed by separate advice letter at least one day prior to June 25, 2010.

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, which is June 17, 2010. 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 to Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest should 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 and therefore respectfully requests that the tariff sheets filed herein be made effective May 31, 2010, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 4107, dated April 30, 2010.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A.

Rasha Prince
Director – Regulatory Affairs

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:

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) #: 4118

Subject of AL: May 2010 Buy-Back Rates

Keywords (choose from CPUC listing): Preliminary Statement, Core, Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

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

D89-11-060 and D90-09-089, et al.

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: May 31, 2010

No. of tariff sheets: 6

Estimated system annual revenue effect (%): None

Estimated system average rate effect (%): None

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: 4103, 4106, and 4113

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 Fifth Street, GT14D6

Los Angeles, CA 90013-1011

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4118

(See Attached Service List)

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ATTACHMENT B
Advice No. 4118

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 46100-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 46090-G
Revised 46101-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 8	Revised 45996-G
Revised 46102-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 46091-G
Revised 46103-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 45998-G
Revised 46104-G	TABLE OF CONTENTS	Revised 46092-G
Revised 46105-G	TABLE OF CONTENTS	Revised 46093-G

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

WHOLESALE (Continued)

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	0.303¢
Volumetric Transportation Charge for Non-Bypass Customers	2.639¢
Volumetric Transportation Charge for Bypass Customers	2.968¢

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm	42.672¢
Non-Residential Cross-Over Rate, per therm	42.672¢
Residential Core Procurement Charge, per therm	42.672¢
Residential Cross-Over Rate, per therm	42.672¢
Adjusted Core Procurement Charge, per therm	42.521¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

March 2010	73.726¢	D
April 2010	64.051¢	T
May 2010	TBD*	T

Noncore Retail Standby (SP-NR)

March 2010	73.841¢	D
April 2010	64.166¢	T
May 2010	TBD*	T

Wholesale Standby (SP-W)

March 2010	73.841¢	D
April 2010	64.166¢	T
May 2010	TBD*	T

*To be determined (TBD). Pursuant to Resolution G-3316, the May Standby Procurement Charge will be filed by a separate advice letter one day prior to June 25.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4118
 DECISION NO. 89-11-060 & 90-09-089,
 7H7 et al

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 28, 2010
 EFFECTIVE May 31, 2010
 RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 8

(Continued)

IMBALANCE SERVICE (Continued)

Buy-Back Rate

Core and Noncore Retail (BR-R)

March 2010.....	20.682¢	D
April 2010.....	22.020¢	R
May 2010.....	21.261¢	R

Wholesale (BR-W)

March 2010.....	20.633¢	D
April 2010.....	21.967¢	R
May 2010.....	21.210¢	R

STORAGE SERVICE

Schedule G-BSS (Basic Storage Service)

Reservation Charges

Annual Inventory, per decatherm reserved	21.400¢/year
Annual Withdrawal, per decatherm/day reserved	\$11.584/year
Daily Injection, per decatherm/day reserved	9.425¢/day

In-Kind Energy Charge for quantity delivered for injection during the year

Rate, percent reduction	2.400%
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The In-Kind Energy Charge shall be adjusted as necessary on the basis of a three-year rolling average of actual fuel use.

Schedule G-AUC (Auction Storage Service)

Reservation Charges

Annual Inventory, per decatherm reserved	(1)
Annual Withdrawal, per decatherm/day reserved	(1)
Daily Injection, per decatherm/day reserved	(1)

(1) Charge shall be equal to the awarded price bid by the customer.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4118
 DECISION NO. 89-11-060 & 90-09-089,
 847 et al

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 28, 2010
 EFFECTIVE May 31, 2010
 RESOLUTION NO. _____

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¢ 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

March 2010	73.726¢	D
April 2010	64.051¢	T
May 2010	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

March 2010	73.841¢	D
April 2010	64.166¢	T
May 2010	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

March 2010	73.841¢	D
April 2010	64.166¢	T
May 2010	TBD*	T

*To be determined (TBD). Pursuant to Resolution G-3316, the May Standby Procurement Charge will be filed by a separate advice letter one day prior to June 25.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4118
 DECISION NO. 89-11-060 & 90-09-089,
 et al

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 28, 2010
 EFFECTIVE May 31, 2010
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(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

March 2010.....	20.682¢	D
April 2010.....	22.020¢	
May 2010.....	21.261¢	R

Wholesale Service:

BR-W Buy-Back Rate, per therm

March 2010.....	20.633¢	D
April 2010.....	21.967¢	
May 2010.....	21.210¢	R

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 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)

TABLE OF CONTENTS

(Continued)

G-IMB	Transportation Imbalance Service	43318-G,46102-G,46103-G,45885-G 45946-G,45947-G,43324-G,43325-G,43326-G
G-OSD	Off-System Delivery Service	42257-G,42258-G,42259-G
G-RPA	Receipt Point Access	45973-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	Pooling Service	42276-G,42277-G, 42278-G
G-BSS	Basic Storage Service	43337-G,45346-G,45767-G,45768-G 45769-G,45770-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,45351-G,45771-G 45772-G,45773-G,43055-G
G-TBS	Transaction Based Storage Service	45355-G,43340-G,45774-G,45775-G 45776-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	45359-G,45360-G,45361-G
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	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	45363-G,45364-G,45365-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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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>
Title Page	40864-G
Table of Contents--General and Preliminary Statement	46105-G,46067-G,45895-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	46054-G, 46055-G,46104-G
Table of Contents--List of Cities and Communities Served	45168-G
Table of Contents--List of Contracts and Deviations	45168-G
Table of Contents--Rules	46064-G,46065-G
Table of Contents--Sample Forms	44931-G,45414-G,45144-G,45415-G,45145-G

PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	46034-G,46035-G,46036-G,46037-G,45701-G,45702-G 46100-G,46101-G,45606-G,45607-G,45608-G,46006-G,46007-G,46008-G,45612-G
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	45265-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	46057-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)	45882-G,45883-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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4118
 DECISION NO. 89-11-060 & 90-09-089,
 et al

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 28, 2010
 EFFECTIVE May 31, 2010
 RESOLUTION NO. _____

ATTACHMENT C

ADVICE NO. 4118

**RATE CALCULATION WORKPAPER
BASED ON ADVICE NO. 4107
ADJUSTED CORE PROCUREMENT CHARGE FILING
EFFECTIVE MAY 1, 2010**

Adjusted Core Procurement Charge:

Retail G-CPA: 42.521 ¢ per therm
(WACOG: 41.799 ¢ + Franchise and Uncollectibles:
0.722 ¢ or [1.7262% * 41.799 ¢])

Wholesale G-CPA: 42.419 ¢ per therm
(WACOG: 41.799 ¢ + Franchise:
0.620 ¢ or [1.4837% * 41.799 ¢])

GIMB Buy-Back Rates

BR-R = 50% of Retail G-CPA:
50% * 42.521 cents/therm = **21.261** cents/therm

BR-W = 50% of Wholesale G-CPA:
50% * 42.419 cents/therm = **21.210** cents/therm