PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

December 6, 2010

ARNOLD SCHWARZENEGGER, Governor



Advice Letter 4165

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

Subject: Daily Balancing Standby Rates for November 1-8, 2010

Dear Ms. Prince:

Advice Letter 4165 is effective November 9, 2010.

Sincerely,

Jen A. HA

Julie A. Fitch, Director Energy Division



Rasha Prince Director Regulatory Affairs

555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.5141 Fax: 213.244.4957 RPrince@semprautilities.com

November 9, 2010

Advice No. 4165 (U 904 G)

Public Utilities Commission of the State of California

Subject: Daily Balancing Standby Rates for November 1-8, 2010

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 filing updates the Daily Balancing Standby Rates for the period of November 1, 2010 through November 8, 2010 in Schedule No. G-IMB, Transportation Imbalance Service, as authorized by the California Public Utilities Commission's (Commission) approval of SoCalGas' Advice Nos. 2651, 2651-A and 2651-B on December 26, 1997, which were filed in compliance with Decision (D.) 97-11-070, dated November 19, 1997, which modified Capacity Brokering Decision D.90-09-089 by adopting modifications to SoCalGas' balancing rules.

Background

As authorized in Schedule No. G-IMB, customers will be subject to balancing rules during the winter operating period. From November through March, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of burn over a five-day period. As the Utility's total inventory in storage declines to the peak day minimum + 20 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 70% of burn daily. As the Utility's total inventory in storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 90% of burn daily. Volumes not in compliance with the minimum delivery requirements will be purchased at the daily balancing standby rates described below. Imbalance trading and as-available withdrawal may not be used to offset the minimum delivery requirements. A complete description of the winter minimum delivery requirements is specified in Rule No. 30, Transportation of Customer-Owned Gas.

The Daily Balancing Standby Rates are calculated as follows:

- 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 balancing standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the fiveday 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.
- 2. When the Utility's total inventory in storage declines to the "peak day minimum + 20 Bcf trigger", the minimum daily delivery requirement increases to 70%. The five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily* Gas Price Index for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 70% delivery requirement.
- 3. When the Utility's total inventory in storage declines to the "peak day minimum + 5 Bcf trigger", the minimum delivery requirement increases to 90% daily. Similar to the 70% regime, the five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily* Gas Price Index for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 90% delivery requirement.

As further authorized in Schedule No. G-IMB by the Commission's approval of SoCalGas' Advice No. 3018 on June 6, 2001, the Daily Balancing Standby Rates may be filed weekly to become effective immediately. In any event, the Daily Balancing Standby Rates shall be filed on or before the fifth business day of each month.

Requested Tariff Revisions

The new rates are reflected in the attached Schedule No. G-IMB tariff sheets. The note at the end of the Daily Balancing Standby Rates section is revised to state that for the days of November 1-8, 2010 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies. The workpaper showing the calculation of these rates is incorporated herein as Attachment C.

Protest

Anyone may protest this Advice Letter to the 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 November 29. 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 Attn: 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: 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. As authorized in Schedule No. G-IMB, the tariff sheets filed herein are to be effective for service on and after November 9, 2010, which is the date filed, and are to be applicable to the period of November 1, 2010 through November 8, 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. SO | UTHERN CALIFO | RNIA GAS COMPANY (U 904-G) | | | |
| Utility type: | Utility type: Contact Person: <u>Sid Newsom</u> | | | | |
| \Box ELC \boxtimes GAS | Phone #: (213) 2 | 44-2846 | | | |
| PLC HEAT WATER | E-mail: snewsor | n@semprautilities.com | | | |
| EXPLANATION OF UTILITY TY | PE | (Date Filed/ Received Stamp by CPUC) | | | |
| ELC = ElectricGAS = GasPLC = PipelineHEAT = Heat | VATER = Water | | | | |
| Advice Letter (AL) #: <u>4165</u> | | | | | |
| Subject of AL: <u>Daily Balancing Stan</u> | dby Rates for Nove | ember 1-8, 2010 | | | |
| | | | | | |
| Keywords (choose from CPUC listing) | : <u>Compliance, No</u> | on-core, Procurement | | | |
| AL filing type: 🗌 Monthly 🗌 Quarter | rly 🗌 Annual 🗌 C | Dne-Time 🛛 Other <u>Weekly</u> | | | |
| If AL filed in compliance with a Comr | nission order, indi | cate relevant Decision/Resolution #: | | | |
| D97-11-070 | | | | | |
| Does AL replace a withdrawn or reject | cted AL? If so, idea | ntify the prior AL <u>No</u> | | | |
| Summarize differences between the A | AL and the prior w | ithdrawn or rejected AL^1 : <u>N/A</u> | | | |
| | | | | | |
| Does AL request confidential treatme | ent? If so, provide e | explanation: <u>No</u> | | | |
| | | | | | |
| Resolution Required? \Box Yes \boxtimes No | | Tier Designation: 🛛 1 🗌 2 🔲 3 | | | |
| Requested effective date: <u>11/9/10</u> | | No. of tariff sheets: <u>5</u> | | | |
| Estimated system annual revenue eff | fect: (%): | | | | |
| Estimated system average rate effect | (%): | | | | |
| | | L showing average rate effects on customer | | | |
| classes (residential, small commercia | | | | | |
| Tariff schedules affected: <u>G-IMB and TOCs</u> | | | | | |
| Service affected and changes proposed ¹ :N/A | | | | | |
| Pending advice letters that revise the same tariff sheets: <u>None</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 Attention: Sid Newsom | | | | | |
| 505 Van Ness Ave.555 West Fifth Street, GT14D6 | | | | | |
| San Francisco, CA 94102 Los Angeles, CA 90013-1011 | | | | | |
| mas@cpuc.ca.gov and jnj@cpuc.ca.gov | S | newsom@semprautilities.com | | | |

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

ATTACHMENT A

Advice No. 4165

(See Attached Service List)

Advice Letter Distribution List - Advice 4165

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ATTACHMENT B Advice No. 4165

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|--|-------------------------------------|
| Revised 46544-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 4 | Revised 45885-G |
| Revised 46545-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5 | Revised 45946-G |
| Revised 46546-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 6 | Revised 45947-G |
| Revised 46547-G | TABLE OF CONTENTS | Revised 46519-G |
| Revised 46548-G | TABLE OF CONTENTS | Revised 46520-G |

LOS ANGELES, CALIFORNIA CANCELING

46544-G 45885-G CAL. P.U.C. SHEET NO.

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 4

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(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

When the Utility's total inventory in storage declines to the "peak day minimum + 20 Bcf trigger", the minimum daily delivery requirement increases to 70%. The five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's Daily Gas Price Index for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 70% delivery requirement. 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.

When the Utility's total inventory in storage declines to the "peak day minimum + 5 Bcf trigger", the minimum delivery requirement increases to 90% daily. Similar to the 70% regime, the five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's Daily Gas Price Index for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 90% delivery requirement. 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.

Daily Balancing Standby Rate, per therm

| r | Wholesale | Noncore Retail | Core Retail | November 2010 |
|----|-----------|----------------|-------------|---------------|
| | DB-W | <u>DB-NR</u> | DB-CR | Day |
| | \$0.51718 | \$0.51841 | \$0.51763 | 1 |
| | \$0.51566 | \$0.51689 | \$0.51611 | 2 |
| | \$0.49130 | \$0.49247 | \$0.49169 | 3 |
| | \$0.53545 | \$0.53672 | \$0.53594 | 4 |
| 0 | \$0.56133 | \$0.56266 | \$0.56188 | 5 |
| (| \$0.56133 | \$0.56266 | \$0.56188 | Period 1 High |
| | \$0.54306 | \$0.54435 | \$0.54357 | 6 |
| | \$0.54306 | \$0.54435 | \$0.54357 | 7 |
| | \$0.54306 | \$0.54435 | \$0.54357 | 8 |
| r. | N/A | N/A | N/A | 9 |
| | N/A | N/A | N/A | 10 |
| | N/A | N/A | N/A | Period 2 High |

(Continued) ISSUED BY Lee Schavrien Senior Vice President **Regulatory Affairs**

(TO BE INSERTED BY CAL. PUC) Nov 9, 2010 DATE FILED Nov 9, 2010 EFFECTIVE **RESOLUTION NO.**

LOS ANGELES, CALIFORNIA CANCELING

Revised CAL. P.U.C. SHEET NO. 46545-G Revised CAL. P.U.C. SHEET NO. 45946-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

<u>RATES</u> (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

| Wholesale <u>DB-W</u> | Noncore Retail <u>DB-NR</u> | Core Retail <u>DB-CR</u> | November 2010 <u>Day</u> |
|--------------------------|--------------------------------|-----------------------------|-----------------------------|
| N/A | N/A | N/A | 11 |
| N/A | N/A | N/A | 12 |
| N/A | N/A | N/A | 13 |
| N/A | N/A | N/A | 14 |
| N/A | N/A | N/A | 15 |
| N/A | N/A | N/A | Period 3 High |
| N/A | N/A | N/A | 16 |
| N/A | N/A | N/A | 17 |
| N/A | N/A | N/A | 18 |
| N/A | N/A | N/A | 19 |
| N/A | N/A | N/A | 20 |
| N/A | N/A | N/A | Period 4 High |
| N/A | N/A | N/A | 21 |
| N/A | N/A | N/A | 22 |
| N/A | N/A | N/A | 23 |
| N/A | N/A | N/A | 24 |
| N/A | N/A | N/A | 25 |
| N/A | N/A | N/A | Period 5 High |
| N/A | N/A | N/A | 26 |
| N/A | N/A | N/A | 27 |
| N/A | N/A | N/A | 28 |
| N/A | N/A | N/A | 29 |
| N/A | N/A | N/A | 30 |
| | | | |
| N/A | N/A | N/A | Period 6 High |

| | (Continued) | |
|-----------------------------|-----------------------|------------------------------|
| (TO BE INSERTED BY UTILITY) | ISSUED BY | (TO BE INSERTED BY CAL. PUC) |
| ADVICE LETTER NO. 4165 | Lee Schavrien | DATE FILED Nov 9, 2010 |
| DECISION NO. 97-11-070 | Senior Vice President | EFFECTIVE Nov 9, 2010 |
| 5H8 | Regulatory Affairs | RESOLUTION NO. |

LOS ANGELES, CALIFORNIA CANCELING

45947-G CAL. P.U.C. SHEET NO.

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 6

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

Note: For the days of November 1-8, 2010, the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger," and therefore the five-day period applies.

Revision of Rates

The Standby Procurement Charge and the Buy-Back Rate shall be established effective the last day of each month. The Daily Balancing Standby Rate shall be established on NGI's Daily Gas Price Index. The Utility may file the Daily Balancing Standby Rate weekly to become effective immediately. In any event, the Daily Balancing Standby Rate shall be filed on or before the fifth business day of each month.

SPECIAL CONDITIONS

- 1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.
- 2. Imbalances of customers other than the Utility Gas Procurement Department or ESPs will be calculated by combining all of a customer's meters served under the same order control code, not by account or individual delivery point. The order control code is used by the Utility to group those facilities identified by the customer for determining the customer's imbalances. In the case of the Utility Gas Procurement Department the applicable Daily Forecast Quantity will be used. In the case of ESPs their applicable Daily Contract Quantity (DCQ) will be used.

(Continued)

| (TO BE INSERTED BY CAL. PUC) | | | | |
|------------------------------|-------------|--|--|--|
| DATE FILED | Nov 9, 2010 | | | |
| EFFECTIVE Nov 9, 2010 | | | | |
| RESOLUTION NO. | | | | |

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TABLE OF CONTENTS

(Continued)

| G-CP | Core Procurement Service 42246-G,46539-G,46540-G,46517-G,37933-G |
|---------|---|
| GT-F | Firm Intrastate Transportation Service 45640-G,45641-G,45304-G,45305-G |
| | for Distribution Level Customers 45306-G,45307-G,45308-G,45309-G |
| | 45310-G,45311-G,45312-G,45313-G |
| GT-I | Interruptible Intrastate Transportation Service 45642-G,45643-G,45316-G |
| | for Distribution Level Customers 45317-G,45318-G,45319-G,45320-G |
| GT-TLS | Intrastate Transportation Service for |
| 01-1L5 | Transmission Level Customers45321-G,45644-G,45645-G,45646-G,45325-G |
| | 45326-G,45327-G,45328-G,45329-G,45330-G |
| | 45321-G,45332-G,45333-G, 45334-G,45335-G |
| | 45336-G,45337-G,45338-G,45339-G |
| GT-SWGX | Wholesale Natural Gas Service |
| G-IMB | Transportation Imbalance Service |
| O IMD | 46545-G,46546-G,43324-G,43325-G,43326-G |
| G-OSD | Off-System Delivery Service |
| G-RPA | Receipt Point Access |
| 0 Iu II | 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 |
| | 45769-G,45770-G,43051-G |
| G-AUC | Auction Storage Service |
| | 32712-G,32713-G,36314-G,32715-G |
| G-LTS | Long-Term Storage Service |
| | 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 |
| G-SMT | Secondary Market Transactions |
| | of Storage Rights |

(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

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 Statement | |
| Table of ContentsService Area Maps and Descriptions | |
| Table of ContentsRate Schedules | |
| Table of ContentsList of Cities and Communities Served | |
| Table of ContentsList of Contracts and Deviations | |
| Table of ContentsRules | |
| Table of ContentsSample Forms 46083-G,4 | |
| PRELIMINARY STATEMENT | |
| Part I General Service Information 45597-G,2 | 4332-G,24333-G,24334-G,24749-G |
| Part II Summary of Rates and Charges 46525-G,46526-G,4 | .6527-G.46427-G.46428-G.46528-G |
| 46491-G,46431-G,46432-G,46433-G,4 | |
| Part III Cost Allocation and Revenue Requirement 45267-G,4 | 5268-G,45269-G,45613-G,45614-G |
| Part IV Income Tax Component of Contributions and Advances | 46462-G,24354-G |
| Part V Balancing Accounts | |
| Description and Listing of Balancing Accounts | |
| Purchased Gas Account (PGA) | |
| Core Fixed Cost Account (CFCA) | |
| Noncore Fixed Cost Account (NFCA) | 45275-G,45276-G |
| Enhanced Oil Recovery Account (EORA) | |
| 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) | |
| Gas Cost Rewards and Penalties Account (GCRPA) | |
| | |
| Pension Balancing Account (PBA) | |
| Pension Balancing Account (PBA) Post-Retirement Benefits Other Than Pensions Balancing Accou | |

(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Nov 9, 2010</u> EFFECTIVE <u>Nov 9, 2010</u> RESOLUTION NO.

ATTACHMENT C ADVICE NO. 4165 RATE CALCULATION WORK PAPER DAILY BALANCING STANDBY RATE FILING EFFECTIVE NOVEMBER 1-8, 2010

Daily Balancing Standby Rate = 150% x (NGI's Price Index + F&U Charge) + Brokerage Fee F&U Charge is 1.7262% of NGI's Price Index for Retail and 1.4837% for Wholesale Brokerage Fee is 0.188 cents for Core Retail; 0.266 cents for Noncore Retail/Wholesale

| November | NGI's | Daily Balancing Standby Rates | | | |
|----------|-------------|-------------------------------|-----------------------|------------------|--|
| Day | Price Index | Core Retail | <u>Noncore Retail</u> | <u>Wholesale</u> | |
| | | | | | |
| 1 | \$0.33800 | \$0.51763 | \$0.51841 | \$0.51718 | |
| 2 | \$0.33700 | \$0.51611 | \$0.51689 | \$0.51566 | |
| 3 | \$0.32100 | \$0.49169 | \$0.49247 | \$0.49130 | |
| 4 | \$0.35000 | \$0.53594 | \$0.53672 | \$0.53545 | |
| 5 | \$0.36700 | \$0.56188 | \$0.56266 | \$0.56133 | |
| 6 | \$0.35500 | \$0.54357 | \$0.54435 | \$0.54306 | |
| 7 | \$0.35500 | \$0.54357 | \$0.54435 | \$0.54306 | |
| 8 | \$0.35500 | \$0.54357 | \$0.54435 | \$0.54306 | |

(All rates are per therm)