

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 29, 2010

Advice Letter 4173

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

Subject: October 2010 Standby Procurement Charges

Dear Ms. Prince:

Advice Letter 4173 is effective November 23, 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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November 23, 2010

Advice No. 4173
(U 904 G)

Public Utilities Commission of the State of California

Subject: October 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 October 2010.

Background

Resolution G-3316, dated May 24, 2001, and Advice No. 4133, filed on July 2, 2010 and effective on August 1, 2010, 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 0.151¢ 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 "ICE Daily Indices - SoCal Border."
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 October 2010 (covering the period October 1, 2010, to November 20, 2010), the highest daily border price index at the Southern California border is \$0.40652 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$0.61243 per therm for noncore retail service and all wholesale service, and \$0.61128 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, which is December 13, 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 Honesto Gatchalian (jnj@cpuc.ca.gov) 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 November 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 November 25, 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 904G)**

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) #: 4173

Subject of AL: October 2010 Standby Procurement Charges

Keywords (choose from CPUC listing): Preliminary Statement; Standby Service; Procurement

AL filing type: Monthly Quarterly Annual One-Time Other

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

G-3316

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: November 23, 2010

No. of tariff sheets: 4

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: 4125, 4157, and 4161

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 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4173

(See Attached Service List)

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ATTACHMENT B
Advice No. 4173

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 46574-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 46528-G
Revised 46575-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 46492-G
Revised 46576-G	TABLE OF CONTENTS	Revised 46564-G
Revised 46577-G	TABLE OF CONTENTS	Revised 46565-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 6

(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	34.044¢
Non-Residential Cross-Over Rate, per therm	34.044¢
Residential Core Procurement Charge, per therm	34.044¢
Residential Cross-Over Rate, per therm	34.044¢
Adjusted Core Procurement Charge, per therm	31.308¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)	
August 2010	67.395¢
September 2010	60.761¢
October 2010	61.128¢
Noncore Retail Standby (SP-NR)	
August 2010	67.510¢
September 2010	60.876¢
October 2010	61.243¢
Wholesale Standby (SP-W)	
August 2010	67.510¢
September 2010	60.876¢
October 2010	61.243¢

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D

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4173
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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

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 "ICE Daily Indices – SoCal Border."

Core Retail Service:

SP-CR Standby Rate, per therm

August 2010	67.395¢
September 2010	60.761¢
October 2010	61.128¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

August 2010	67.510¢
September 2010	60.876¢
October 2010	61.243¢

Wholesale Service:

SP-W Standby Rate per therm

August 2010	67.510¢
September 2010	60.876¢
October 2010	61.243¢

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4173
 DECISION NO.
 2H7

ISSUED BY
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 Senior Vice President
 Regulatory Affairs

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

TABLE OF CONTENTS

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	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
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GT-TLS	Intrastate Transportation Service for	
	Transmission Level Customers	45321-G,45644-G,45645-G,45646-G,45325-G
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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
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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

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(Continued)

(TO BE INSERTED BY UTILITY)
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 2H7

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 Senior Vice President
 Regulatory Affairs

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

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>
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Table of Contents--General and Preliminary Statement	46577-G,46224-G,46339-G
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Table of Contents--Rate Schedules	46541-G, 46576-G,46460-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	46345-G, 46412-G
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Part II Summary of Rates and Charges	46525-G,46526-G,46527-G,46427-G,46428-G,46574-G 46491-G,46431-G,46432-G,46433-G,46500-G,46501-G,46502-G,46437-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	46462-G,24354-G
Part V Balancing Accounts	
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Enhanced Oil Recovery Account (EORA)	45277-G
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California Alternate Rates for Energy Account (CAREA)	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
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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)

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ATTACHMENT C

ADVICE NO. 4173

**RATE CALCULATION WORK PAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING
EFFECTIVE OCTOBER 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 “Intercontinental Exchange Daily Indices - SoCal Border.”

The highest daily border price index for the period was on November 11, 2010

11/11/10 NGI’s Daily Gas Price Index (NDGPI) = \$0.40700 per therm

11/11/10 Intercontinental Exchange Daily Indices (ICEDI) = \$0.40603 per therm

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

HDBPI = \$0.40652 per therm

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

SP-CR = 150% x \$0.40652 + \$0.00151 = \$0.61128

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

SP-NR = 150% x \$0.40652 + \$0.00266 = \$0.61243

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

SP-W = 150% x \$0.40652 + \$0.00266 = \$0.61243