PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

February 24, 2011



Advice Letter 4203

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

Subject: January 2011 Buy-Back Rates

Dear Ms. Prince:

Advice Letter 4203 is effective January 31, 2011.

Sincerely,

Julie A. Fitch, Director Energy Division

Jen A. Jes





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

January 31, 2011

Advice No. 4203 (U 904 G)

Public Utilities Commission of the State of California

Subject: January 2011 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 January 2011.

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 January, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for January 2011 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 January 2011 Standby Procurement Charges will be filed by separate advice letter at least one day prior to February 23, 2011.

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 February 20, 2011. 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 (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and to Honesto Gatchalian (ini@cpuc.ca.gov) of the Energy Division. 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 January 31, 2011, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 4192, dated December 30, 2010.

Notice

| A copy of this advice letter is being sent to the parties listed on Attachment A | ۹. |
|--|----|
| | |
| | |
| 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: | Contact Person: | Sid Newsom |
| ☐ ELC ☐ GAS | Phone #: (213) _24 | 44-2846 |
| ☐ PLC ☐ HEAT ☐ WATER | E-mail: snewson | n@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) #: 4203 | | |
| Subject of AL: | y-Back Rates | |
| | | |
| Keywords (choose from CPUC listing) | : <u>Preliminary Sta</u> | tement, Core, Compliance |
| AL filing type: $igtimes$ Monthly $igcap$ Quarter | rly 🗌 Annual 🗌 C | ne-Time 🗌 Other |
| AL filed in compliance with a Commis D89-11-060 and D90-09-089, e | | te relevant Decision/Resolution #: |
| Does AL replace a withdrawn or reject | cted AL? If so, ider | ntify the prior AL <u>No</u> |
| Summarize differences between the A | AL and the prior wi | ithdrawn or rejected AL¹:N/A |
| | | |
| Does AL request confidential treatment? If so, provide explanation: No | | |
| Resolution Required? \square Yes \boxtimes No Tier Designation: \boxtimes 1 \square 2 \square 3 | | |
| Requested effective date: <u>January 31, 2011</u> No. of tariff sheets: <u>6</u> | | |
| Estimated system annual revenue eff | fect: (%):None | <u>e</u> |
| 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 proposed ¹ :N/A | | |
| Pending advice letters that revise the same tariff sheets: 4125, 4175, 4185, 4191, and 4201 | | |
| 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 Fifth Street, GT14D6 |
| San Francisco, CA 94102 | | Los Angeles, CA 90013-1011 |
| mas@cpuc.ca.gov and jnj@cpuc.ca.gov snewsom@semprautilities.com | | |

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

ATTACHMENT A

Advice No. 4203

(See Attached Service List)

Alcantar & Kahl Seema Srinivasan sls@a-klaw.com

Alcantar & Kahl, LLP Mike Cade

wmc@a-klaw.com

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Avis Clark
aclark@calpine.com

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City of Los Angeles City Attorney 200 North Main Street, 800 Los Angeles, CA 90012

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County of Los Angeles Stephen Crouch 1100 N. Eastern Ave., Room 300 Los Angeles, CA 90063

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CPUC

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Dynegy - West Generation Joseph M. Paul Joe.Paul@dynegy.com

Genon Greg Bockholt Greg.Bockholt@Genon.com

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Randy Keen

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Jim Boyle
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Dan Carroll

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Colette B. Mehle
cmehle@mehlelaw.com

ATTACHMENT B Advice No. 4203

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|---|----------------------------------|
| Revised 46842-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet | Revised 46834-G |
| Revised 46843-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7 | Revised 46760-G |
| Revised 46844-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2 | Revised 46835-G |
| Revised 46845-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3 | Revised 46762-G |
| Revised 46846-G | TABLE OF CONTENTS | Revised 46840-G |
| Revised 46847-G | TABLE OF CONTENTS | Revised 46841-G |

LOS ANGELES, CALIFORNIA CANCELING Revis

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

46842-G 46834-G

Sheet 6

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(Continued)

| WHOLESALE (Continued) |
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|-----------------------|

| Schedule GT-TLS (ECOGAS) GT-12CA, Class-Average Volumetric Rate Option | |
|--|-------|
| Volumetric Charge | 2.509 |
| GT-12RS, Reservation Rate Option | |
| Reservation Rate, per therm per day | 1.371 |
| Usage Charge, per therm | 0.464 |
| Volumetric Transportation Charge for Non-Bypass Customers | 3.011 |
| Volumetric Transportation Charge for Bypass Customers | 3.387 |

PROCUREMENT CHARGE

Schedule G-CP

| Non-Residential Core Procurement Charge, per therm | 40.136¢ |
|--|---------|
| Non-Residential Cross-Over Rate, per therm | 41.364¢ |
| Residential Core Procurement Charge, per therm | 40.136¢ |
| Residential Cross-Over Rate, per therm | 41.364¢ |
| Adjusted Core Procurement Charge, per therm | 39.557¢ |

IMBALANCE SERVICE

Standby Procurement Charge

| Core Retail Standby (SP-CR) | |
|--------------------------------|---------|
| November 2010 | 66.727¢ |
| December 2010 | 69.897¢ |
| January 2011 | TBD* |
| Noncore Retail Standby (SP-NR) | |
| November 2010 | 66.842¢ |
| December 2010 | 70.012¢ |
| January 2011 | TBD* |
| Wholesale Standby (SP-W) | |
| November 2010 | 66.842¢ |
| December 2010 | 70.012¢ |
| January 2011 | TBD* |
| | |

^{*}To be determined (TBD). Pursuant to Resolution G-3316, the January Standby Procurement Charge will be filed by a separate advice letter one day prior to February 23.

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4203 DECISION NO. 89-11-060 & 90-09-089, et al

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

Revised

CAL. P.U.C. SHEET NO.

46843-G 46760-G

Sheet 7

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LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO.

PRELIMINARY STATEMENT <u>PART II</u> <u>SUMMARY OF RATES AND CHARGES</u>

(Continued)

<u>IMBALANCE SERVICE</u> (Continued)

Core and Noncore Retail (BR-R)

 November 2010
 15.654 ¢

 December 2010
 21.586 ¢

 January 2011
 19.779 ¢

Wholesale (BR-W)

 November 2010
 15.617 ¢

 December 2010
 21.535 ¢

 January 2011
 19.732 ¢

STORAGE SERVICE

Schedule G-BSS (Basic Storage Service)

Reservation Charges

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

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

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

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4203 DECISION NO. 89-11-060 & 90-09-089, et al

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

Revised Revised

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

46844-G 46835-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

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(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

Core Retail Service:

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 0.266ϕ per therm for noncore retail service and all wholesale service, and 0.151ϕ 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."

| SP-CR Standby Rate, per therm | |
|-------------------------------|-----------|
| November 2010 | . 66.727¢ |
| December 2010 | . 69.897¢ |
| January 2011 | TBD* |
| Noncore Retail Service: | |
| SP-NR Standby Rate, per therm | |
| November 2010 | . 66.842¢ |
| December 2010 | 70.012¢ |
| January 2011 | TBD* |
| Wholesale Service: | |
| SP-W Standby Rate per therm | |
| November 2010 | . 66.842¢ |
| December 2010 | 70.012¢ |

*To be determined (TBD). Pursuant to Resolution G-3316, the January Standby Procurement Charge will be filed by a separate advice letter one day prior to February 23.

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4203 DECISION NO. 89-11-060 & 90-09-089, et al

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

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

46845-G 46762-G

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:

| DIX- | R buy-back Rate, per therm | |
|----------|----------------------------|---------|
| N | November 2010 | 15.654¢ |
| Γ | December 2010 | 21.586¢ |

Wholesale Service:

BR-W Buy-Back Rate, per therm

RP P Ruy Rack Pate per therm

| November 2010 | 15.617¢ |
|---------------|---------|
| December 2010 | 21.535¢ |
| January 2011 | 19.732¢ |

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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)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4203 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 Jan 31, 2011

EFFECTIVE Jan 31, 2011

RESOLUTION NO.

Revised LOS ANGELES, CALIFORNIA CANCELING Revised

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

46846-G 46840-G

TABLE OF CONTENTS

| | (Continued) |
|---------|--|
| G-CP | Core Procurement Service |
| GT-F | Firm Intrastate Transportation Service 46747-G,46748-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 |
| | for Distribution Level Customers 45317-G,45318-G,45319-G,45320-G |
| GT-TLS | Intrastate Transportation Service for |
| | Transmission Level Customers45321-G,46751-G,46752-G,46753-G,45325-G |
| | 45326-G,45327-G,45328-G,45329-G,45330-G |
| | 45331-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 |
| | 46838-G,46839-G,43324-G,43325-G,43326-G |
| G-OSD | Off-System Delivery Service |
| G-RPA | Receipt Point Access45973-G,42261-G,46754-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 |
| 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 |
| | 45776-G,44933-G |
| G-CBS | UDC Consolidated Billing Service |
| G-SMT | Secondary Market Transactions |
| | of Storage Rights |

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4203 DECISION NO. 89-11-060 & 90-09-089, et al 2H6

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jan 31, 2011 DATE FILED Jan 31, 2011 **EFFECTIVE** RESOLUTION NO.

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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 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 | |
| PRELIMINARY STATEMENT | |
| Part I General Service Information | |
| Part II Summary of Rates and Charges 46794-G,46795-G,46796-G,46723-G,46724-G,46842-G | |
| 46843-G,46431-G,46432-G,46521-G,46769-G,46770-G,46771-G,46729-G | |
| Part III Cost Allocation and Revenue Requirement 45267-G,45268-G,45269-G,46730-G,46731-G | |
| Part IV Income Tax Component of Contributions and Advances | |
| Part V Balancing Accounts | |
| Description and Listing of Balancing Accounts | |
| 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 Account (CAREA) | |
| Hazardous Substance Cost Recovery Account (HSCRA) | |
| Gas Cost Rewards and Penalties Account (GCRPA) | |
| Pension Balancing Account (PBA) | |
| Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) . 45015-G,45016-G | |
| Conservation Expense Account (CEA) | |

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4203 DECISION NO. 89-11-060~&~90-09-089, et al

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

ATTACHMENT C

ADVICE NO. 4203

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 4192 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE JANUARY 1, 2011

Adjusted Core Procurement Charge:

Retail G-CPA: 39.557 ¢ per therm (WACOG: 38.886 ¢ + Franchise and Uncollectibles: 0.671 ¢ or [1.7262% * 38.886 ¢])

Wholesale G-CPA: 39.463 ¢ per therm (WACOG: 38.886 ¢ + Franchise: 0.577 ¢ or [1.4837% * 38.886 ¢])

GIMB Buy-Back Rates

BR-R = 50% of Retail G-CPA: 50% * 39.557 cents/therm = **19.779** cents/therm

BR-W = 50% of Wholesale G-CPA: 50% * 39.463 cents/therm = **19.732** cents/therm