PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

September 7, 2011



Advice Letter 4259

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

Subject: June 2011 Standby Procurement Charges

Dear Ms. Prince:

Advice Letter 4259 is effective July 21, 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

July 21, 2011

Advice No. 4259 (U 904 G)

Public Utilities Commission of the State of California

Subject: June 2011 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 June 2011.

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.

<u>Information</u>

For the "flow month" of June 2011 (covering the period June 1, 2011, to July 20, 2011), the highest daily border price index at the Southern California border is \$0.48216 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$0.72590 per therm for noncore retail service and all wholesale service, and \$0.72475 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 August 10, 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 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 July 21, 2011, 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 July 25, 2011.

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 904G)
Utility type:	Contact Person: Sid Newsom	
☐ ELC	Phone #: (213) 244-2846	
☐ PLC ☐ HEAT ☐ WATER		
EXPLANATION OF UTILITY TY	TY TYPE (Date Filed/ Received Stamp by CPUC)	
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat W		
Advice Letter (AL) #: 4259	·	
Subject of AL: June 2011 Standby F	Procurement Charg	ges
Keywords (choose from CPUC listing)	: Preliminary Sta	tement; Standby Service; Procurement
AL filing type: ⊠ Monthly □ Quarter	rly 🗌 Annual 🗌 C	ne-Time 🗌 Other
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: _G-3316		
	ted AL? If so, ider	ntify the prior AL <u>No</u>
Summarize differences between the A	L and the prior wi	ithdrawn or rejected AL¹: <u>N/A</u>
Does AL request confidential treatme	nt? If so, provide e	explanation: No
Resolution Required? Yes No	Resolution Required? \square Yes \boxtimes No Tier Designation: \boxtimes 1 \square 2 \square 3	
Requested effective date: <u>July 21, 2011</u> No. of tariff sheets: <u>4</u>		
Estimated system annual revenue eff	ect: (%): <u>N/A</u>	
Estimated system average rate effect	(%): <u>N/A</u>	
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	:: <u>4254</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
	ttention: Tariff Unit Attention: Sid Newsom	
505 Van Ness Ave., 555 West 5th Street, GT14D6 San Francisco, CA 94102 Los Angeles, CA 90013-1011		Los Angeles, CA 90013-1011
as@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. 4259

(See Attached Service List)

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

Alcantar & Kahl, LLP Mike Cade wmc@a-klaw.com

CPUC

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CPUC - DRA R. Mark Pocta rmp@cpuc.ca.gov

City of Azusa Light & Power Dept. 215 E. Foothill Blvd. Azusa, CA 91702

City of Colton Thomas K. Clarke 650 N. La Cadena Drive Colton, CA 92324

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Alcantar & Kahl Kari Harteloo klc@a-klaw.com

Barkovich & Yap Catherine E. Yap ceyap@earthlink.net

CPUC Pearlie Sabino pzs@cpuc.ca.gov

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CPUC

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

City of Vernon Dan Bergmann dan@igservice.com

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

Davis Wright Tremaine, LLP Edward W. O'Neill 505 Montgomery Street, Ste 800 San Francisco, CA 94111

Douglass & Liddell
Dan Douglass
douglass@energyattorney.com

Dynegy Mark Mickelson

Mark Mickelson Mark.Mickelson@dynegy.com **Dynegy - West Generation Gas Transmission Northwest General Services Administration** Corporation Joseph M. Paul Facilities Management (9PM-FT) Bevin Hong Joe.Paul@dynegy.com 450 Golden Gate Ave. Bevin_Hong@transcanada.com San Francisco, CA 94102-3611 Goodin, MacBride, Squeri, Ritchie & Hanna & Morton Genon Energy, Inc. Day, LLP **Greg Bockholt** Norman A. Pedersen, Esq. James D. Squeri Greg.Bockholt@Genon.com npedersen@hanmor.com jsqueri@gmssr.com **Iberdrola Renewables Energy Services Imperial Irrigation District** JBS Energy **Julie Morris** K. S. Noller Jeff Nahigian Julie.Morris@iberdrolaren.com P. O. Box 937 jeff@jbsenergy.com Imperial, CA 92251 **LADWP Kern River Gas Transmission Company LA County Metro** Janie Nielsen Julie Close Robert Pettinato Janie.Nielsen@KernRiverGas.com closeJ@metro.net Robert.Pettinato@ladwp.com **LADWP** Law Offices of William H. Booth Luce, Forward, Hamilton & Scripps Nevenka Ubavich William Booth John Leslie nevenka.ubavich@ladwp.com wbooth@booth-law.com jleslie@luce.com MRW & Associates **Manatt Phelps Phillips** Manatt, Phelps & Phillips, LLP **Robert Weisenmiller** Randy Keen David Huard mrw@mrwassoc.com rkeen@manatt.com dhuard@manatt.com **March Joint Powers Authority** National Utility Service, Inc. Navigant Consulting, Inc. **Lori Stone** Jim Boyle Ray Welch 23555 Meyer Drive, One Maynard Drive, P. O. Box 712 ray.welch@navigantconsulting.com March Air Reserve Base, CA 92518-Park Ridge, NJ 07656-0712 2038 **PG&E Tariffs** Praxair Inc RRI Energy **Pacific Gas and Electric** Rick Noger John Rohrbach PGETariffs@pge.com rick_noger@praxair.com JRohrbach@rrienergy.com SCE Regulatory & Cogen Services, Inc. Safeway, Inc Donald W. Schoenbeck Karyn Gansecki Cathy Ikeuchi

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Southwest Gas Corp. John Hester P. O. Box 98510 Las Vegas, NV 89193-8510

TURN Marcel Hawiger marcel@turn.org Southern California Edison Co. John Quinlan john.quinlan@sce.com

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The Mehle Law Firm PLLC Colette B. Mehle cmehle@mehlelaw.com

Southern California Edison Company Michael Alexander Michael.Alexander@sce.com

Sutherland, Asbill & Brennan Keith McCrea kmccrea@sablaw.com

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

ATTACHMENT B Advice No. 4259

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 47380-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 47326-G
Revised 47381-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 47294-G
Revised 47382-G	TABLE OF CONTENTS	Revised 47340-G
Revised 47383-G	TABLE OF CONTENTS	Revised 47341-G

Revised

CAL. P.U.C. SHEET NO.

47380-G

Sheet 6

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D

Revised 47326-G LOS ANGELES, CALIFORNIA CANCELING CAL. P.U.C. SHEET NO.

PRELIMINARY STATEMENT **PART II SUMMARY OF RATES AND CHARGES**

(Continued)

WHOLESALE (Continued)

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	46.196¢
Non-Residential Cross-Over Rate, per therm	46.196¢
Residential Core Procurement Charge, per therm	46.196¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)	
April 2011	70.230¢
May 2011	72.475¢
June 2011	72.475¢
Noncore Retail Standby (SP-NR)	
April 2011	70.345¢
May 2011	72.590¢
June 2011	72.590¢
Wholesale Standby (SP-W)	
April 2011	70.345¢

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4259 DECISION NO.

6H6

ISSUED BY Lee Schavrien Senior Vice President

(TO BE INSERTED BY CAL. PUC) Jul 21, 2011 DATE FILED Jul 21, 2011 EFFECTIVE RESOLUTION NO. G-3316

Regulatory Affairs

Revised LOS ANGELES, CALIFORNIA CANCELING

Revised

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

47381-G 47294-G

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

C

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D

(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 0.151ϕ 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."

Coro	Datail	Service:
Core	кетап	Service:

70.230¢
72.475¢
72.475¢
70.345¢
72.590¢
72.590¢
70.345¢
72.590¢
72.590¢

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4259 DECISION NO.

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jul 21, 2011 DATE FILED Jul 21, 2011 EFFECTIVE

RESOLUTION NO. G-3316

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	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
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GT-SWGX	Wholesale Natural Gas Service
G-IMB	Transportation Imbalance Service
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G-OSD	Off-System Delivery Service
G-BTS	Backbone Transportation Service
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	47182-G,47183-G,47184-G,47185-G,47186-G,47187-G
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G-POOL	Pooling Service
G-BSS	Basic Storage Service
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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. 4259 DECISION NO.

2H6

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jul 21, 2011 DATE FILED Jul 21, 2011 EFFECTIVE RESOLUTION NO. G-3316

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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.

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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
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(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 4259 DECISION NO.

1H6

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Jul 21, 2011 DATE FILED Jul 21, 2011 **EFFECTIVE** RESOLUTION NO. G-3316

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ATTACHMENT C

ADVICE NO. 4259

RATE CALCULATION WORK PAPER SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING EFFECTIVE JUNE 2011

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 June 10, 2011

06/10/11 NGI's Daily Gas Price Index (NDGPI) = \$0.48200 per therm

06/10/11 Intercontinental Exchange Daily Indices (ICEDI) = \$0.48232 per therm

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

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

HDBPI = \$0.48216 per therm

SP-CR = 150% x \$0.48216 + \$0.00151 = **\$0.72475**

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

SP-NR = 150% x \$0.48216 + \$0.00266 = \$0.72590

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

SP-W = 150% x \$0.48216 + \$0.00266 = **\$0.72590**