PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

December 28, 2011



Advice Letter 4280

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

Subject: September 2011 Buy-Back Rates

Dear Ms. Prince:

Advice Letter 4280 is effective September 30, 2011.

Sincerely,

Edward Ramloph

Edward F. Randolph, 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

September 30, 2011

Advice No. 4280 (U 904 G)

Public Utilities Commission of the State of California

Subject: September 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 September 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 September, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for September 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 September 2011 Standby Procurement Charges will be filed by separate advice letter at least one day prior to October 25, 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 October 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 (<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: <u>snewsom@SempraUtilities.com</u>

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 September 30, 2011, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 4272, dated August 31, 2011.

<u>Notice</u>

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

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)					
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: <u>Sid Newsom</u>					
$\square ELC \qquad \square GAS \qquad \qquad Phone #: (213) \underline{244-2846}$					
PLC HEAT WATER E-mail: snewsom@semprautilities.com					
EXPLANATION OF UTILITY TYPE (Date Filed/ Received Stamp by CPUC)					
ELC = ElectricGAS = GasPLC = PipelineHEAT = HeatWATER = Water					
Advice Letter (AL) #: 4280					
Subject of AL:					
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 <u>No</u>					
Summarize differences between the AL and the prior withdrawn or rejected AL^1 :N/A					
Summarize unterences between the AL and the prior withdrawn of rejected AL					
Does AL request confidential treatment? If so, provide explanation: No					
Resolution Required? Yes No Tier Designation: 1 2 3					
Requested effective date: September 30, 2011 No. of tariff sheets: 6					
Estimated system annual revenue effect <u>: (%): None</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: 4259, 4264, 4271, and 4276					
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 DivisionSouthern California Gas CompanyAttention: Tariff UnitAttention: Sid Newsom					
Attention: Tariff UnitAttention: Sid Newsom505 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 snewsom@semprautilities.com					

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4280

(See Attached Service List)

Advice Letter Distribution List - Advice 4280

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Page 2

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ATTACHMENT B Advice No. 4280

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 47562-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 47553-G
Revised 47563-G	0 PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 47501-G
Revised 47564-G Revised 47565-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2 Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 47554-G Revised 47503-G
Revised 47566-G	TABLE OF CONTENTS	Revised 47555-G
Revised 47567-G	TABLE OF CONTENTS	Revised 47556-G

LOS ANGELES, CALIFORNIA CANCELING

Revised CAL. P.U.C. SHEET NO. 4 Revised CAL. P.U.C. SHEET NO. 4

47562-G 47553-G

PRELIMINARY STATEMENT	Sheet 6
<u>PART II</u> SUMMARY OF RATES AND CHARO	JES
(Continued)	<u></u>
<u>WHOLESALE</u> (Continued)	
Schedule GT-TLS (ECOGAS)	
GT-12CA, Class-Average Volumetric Rate Option	
Volumetric Charge	2509c
volumente charge	
GT-12RS, Reservation Rate Option	
Reservation Rate, per therm per day	1.371¢
Usage Charge, per therm	
Volumetric Transportation Charge for Non-Bypass Customers	
Volumetric Transportation Charge for Bypass Customers	
	·
PROCUREMENT CHARGE	
Schedule G-CP	
Non-Residential Core Procurement Charge, per therm	
Non-Residential Cross-Over Rate, per therm	
Residential Core Procurement Charge, per therm	
Residential Cross-Over Rate, per therm	
Adjusted Core Procurement Charge, per therm	41.315¢
IMBALANCE SERVICE	
Standby Procurement Charge	
Core Retail Standby (SP-CR)	
July 2011	69.129¢
August 2011	65.878¢
September 2011	TBD*
Noncore Retail Standby (SP-NR)	
July 2011	69.244¢
August 2011	65.993¢
September 2011	TBD*
Wholesale Standby (SP-W)	
July 2011	69.244¢
August 2011	65.993¢
September 2011	TBD*
*To be determined (TBD). Pursuant to Resolution G-3316, the S	September Standby Procurement
Charge will be filed by a separate advice letter one day prior to C	October 25.
(Continued)	

(TO BE INSERTED BY CAL. PUC) DATE FILED <u>Sep 30, 2011</u> EFFECTIVE <u>Sep 30, 2011</u> RESOLUTION NO. LOS ANGELES, CALIFORNIA CANCELING

47563-G CAL. P.U.C. SHEET NO. 47501-G CAL. P.U.C. SHEET NO.

Revised PRELIMINARY STATEMENT Sheet 7 PART II SUMMARY OF RATES AND CHARGES (Continued) IMBALANCE SERVICE (Continued) **Buy-Back Rate** Core and Noncore Retail (BR-R) D R Wholesale (BR-W) D 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 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** Daily Injection, per decatherm/day reserved (1)

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

(Continued)

ISSUED BY Lee Schavrien Senior Vice President **Regulatory Affairs**

(TO BE INSERTED BY CAL. PUC) Sep 30, 2011 DATE FILED Sep 30, 2011 EFFECTIVE **RESOLUTION NO.**

Schedule No. G-IMB TRANSPORTATION IMBALANCE SERVICE

Sheet 2

D

Т

D

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Т

(Continued)

<u>RATES</u>

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 0.266ϕ 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."

Core Retail Service:	
SP-CR Standby Rate, per therm	
July 2011	69.129¢
August 2011	
September 2011	TBD*
Noncore Retail Service:	
SP-NR Standby Rate, per therm	
July 2011	
August 2011	
September 2011	
Wholesale Service:	
SP-W Standby Rate per therm	
July 2011	69.244¢
August 2011	65.993¢
September 2011	TBD*

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

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) DATE FILED Sep 30, 2011 EFFECTIVE Sep 30, 2011 RESOLUTION NO. LOS ANGELES, CALIFORNIA CANCELING

47503-G CAL. P.U.C. SHEET NO.

Schedule No. G-IMB Sheet 3 TRANSPORTATION IMBALANCE SERVICE (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 D R Wholesale Service: BR-W Buy-Back Rate, per therm D 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) ISSUED BY (TO BE INSERTED BY CAL. PUC) (TO BE INSERTED BY UTILITY) Sep 30, 2011 ADVICE LETTER NO. 4280 Lee Schavrien DATE FILED Sep 30, 2011 DECISION NO. 89-11-060 & 90-09-089. EFFECTIVE Senior Vice President et al **Regulatory Affairs RESOLUTION NO.** 3H6

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(Continued)

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs (TO BE INSERTED BY CAL. PUC) DATE FILED <u>Sep 30, 2011</u> EFFECTIVE <u>Sep 30, 2011</u> RESOLUTION NO.

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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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Gas Cost Rewards and Penalties Account (GCRPA) 40881-G	
Pension Balancing Account (PBA) 45013-G,45014-G	
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Conservation Expense Account (CEA) 40886-G,40887-G	

ISSUED BY Lee Schavrien Senior Vice President Regulatory Affairs

(Continued)

(TO BE INSERTED BY CAL. PUC) DATE FILED <u>Sep 30, 2011</u> EFFECTIVE <u>Sep 30, 2011</u> RESOLUTION NO.

ATTACHMENT C

ADVICE NO. 4280

RATE CALCULATION WORKPAPER BASED ON ADVICE NO. 4272 ADJUSTED CORE PROCUREMENT CHARGE FILING EFFECTIVE SEPTEMBER 1, 2011

Adjusted Core Procurement Charge:

 Retail G-CPA:
 41.315 ¢ per therm

 (WACOG: 40.614 ¢ + Franchise and Uncollectibles:
 0.701 ¢ or [1.7262% * 40.614 ¢])

Wholesale G-CPA: 41.217 ¢ per therm (WACOG: 40.614 ¢ + Franchise: 0.603 ¢ or [1.4837% * 40.614 ¢])

GIMB Buy-Back Rates

BR-R = 50% of Retail G-CPA: 50% * 41.315 cents/therm = **20.658** cents/therm

BR-W = 50% of Wholesale G-CPA: 50% * 41.217 cents/therm = **20.609** cents/therm