

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3208



February 13, 2012

Advice Letter 4322-G

Sid Newsom  
Tariff Manager-GT14D6  
Southern California Gas Company  
555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011

**Subject: Daily Balancing Standby Rates for January 1-9, 2012**

Dear Mr. Newsom:

Advice Letter 4322-G is effective January 10, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

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*

January 10, 2012

Advice No. 4322  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Daily Balancing Standby Rates for January 1-9, 2012**

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 January 1, 2012 through January 9, 2012 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 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:

1. 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 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.
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 January 1-9, 2012 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 January 30, 2012. 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 ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and to Honesto Gatchalian ([jni@cpuc.ca.gov](mailto:jni@cpuc.ca.gov)) of the Energy Division. A copy of the protest should 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](mailto: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 January 10, 2012, which is the date filed, and are to be applicable to the period of January 1, 2012 through January 9, 2012.

### **Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A.

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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:

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) #: 4322

Subject of AL: Daily Balancing Standby Rates for January 1-9, 2012

Keywords (choose from CPUC listing): Compliance, Non-core, Procurement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other Weekly

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

D97-11-070

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 AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required?  Yes  No

Tier Designation:  1     2     3

Requested effective date: January 10, 2012

No. of tariff sheets: 5

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

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: G-IMB and TOCs

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: 4307, 4309, 4313, and 4319

**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 Fifth Street, GT14D6**

**Los Angeles, CA 90013-1011**

**snewsom@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 4322**

**(See Attached Service List)**

ATTACHMENT B  
Advice No. 4322

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 47870-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 4	Revised 47763-G
Revised 47871-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 5	Revised 47845-G
Revised 47872-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 6	Revised 47846-G
Revised 47873-G	TABLE OF CONTENTS	Revised 47866-G
Revised 47874-G	TABLE OF CONTENTS	Revised 47867-G

Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 4

(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

January 2012 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W	
1	\$0.48864	\$0.48942	\$0.48826	T
2	\$0.48864	\$0.48942	\$0.48826	C
3	\$0.48864	\$0.48942	\$0.48826	
4	\$0.49474	\$0.49552	\$0.49435	
5	\$0.49474	\$0.49552	\$0.49435	C
Period 1 High	\$0.49474	\$0.49552	\$0.49435	C
6	\$0.47796	\$0.47874	\$0.47760	C
7	\$0.47186	\$0.47264	\$0.47151	
8	\$0.47186	\$0.47264	\$0.47151	
9	\$0.47186	\$0.47264	\$0.47151	C
10	N/A	N/A	N/A	T
Period 2 High	N/A	N/A	N/A	T

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4322  
 DECISION NO. 97-11-070

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jan 10, 2012  
 EFFECTIVE Jan 10, 2012  
 RESOLUTION NO. \_\_\_\_\_



Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

January 2012 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W	
11	N/A	N/A	N/A	T
12	N/A	N/A	N/A	T
13	N/A	N/A	N/A	
14	N/A	N/A	N/A	
15	N/A	N/A	N/A	T
Period 3 High	N/A	N/A	N/A	T
16	N/A	N/A	N/A	T
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	T
Period 4 High	N/A	N/A	N/A	T
21	N/A	N/A	N/A	T
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	T
Period 5 High	N/A	N/A	N/A	T
26	N/A	N/A	N/A	T
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	
31	N/A	N/A	N/A	T
Period 6 High	N/A	N/A	N/A	T

(Continued)

(TO BE INSERTED BY UTILITY)  
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 Senior Vice President

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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 January 1-9, 2012, 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 UTILITY)  
ADVICE LETTER NO. 4322  
DECISION NO. 97-11-070

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**Lee Schavrien**  
Senior Vice President

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(Continued)

(TO BE INSERTED BY UTILITY)  
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 DECISION NO. 97-11-070

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**Lee Schavrien**  
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
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 EFFECTIVE Jan 10, 2012  
 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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(Continued)

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**ATTACHMENT C  
ADVICE NO. 4322  
RATE CALCULATION WORK PAPER  
DAILY BALANCING STANDBY RATE FILING  
EFFECTIVE JANUARY 1-9, 2012**

**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**

**(All rates are per therm)**

<u>January Day</u>	<u>NGI's Price Index</u>	<u>Daily Balancing Standby Rates</u>		
		<u>Core Retail</u>	<u>Noncore Retail</u>	<u>Wholesale</u>
1	\$0.31900	\$0.48864	\$0.48942	\$0.48826
2	\$0.31900	\$0.48864	\$0.48942	\$0.48826
3	\$0.31900	\$0.48864	\$0.48942	\$0.48826
4	\$0.32300	\$0.49474	\$0.49552	\$0.49435
5	\$0.32300	\$0.49474	\$0.49552	\$0.49435
6	\$0.31200	\$0.47796	\$0.47874	\$0.47760
7	\$0.30800	\$0.47186	\$0.47264	\$0.47151
8	\$0.30800	\$0.47186	\$0.47264	\$0.47151
9	\$0.30800	\$0.47186	\$0.47264	\$0.47151