

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 25, 2012

**Advice Letter 4404**

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

**Subject: September 2012 Buy-Back Rates**

Dear Ms. Prince:

Advice Letter 4404 is effective September 30, 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*

September 28, 2012

Advice No. 4404  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: September 2012 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 2012.

**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 2012 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 2012 Standby Procurement Charges will be filed by separate advice letter at least one day prior to October 25, 2012.

**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 18, 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  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). 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 and therefore respectfully requests that the tariff sheets filed herein be made effective September 30, 2012, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 4398, dated August 31, 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 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) #: 4404

Subject of AL: September 2012 Buy-Back Rates

Keywords (choose from CPUC listing): Preliminary Statement, Core, Compliance

AL filing type:  Monthly     Quarterly     Annual     One-Time     Other

If 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 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: 9/30/12

No. of tariff sheets: 6

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

Pending advice letters that revise the same tariff sheets: 4395 and 4397

**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  
EDTariffUnit@cpuc.ca.gov**

**Southern California Gas Company  
Attention: Sid Newsom  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
SNewsom@semprautilities.com  
Tariffs@socalgas.com**

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

**ATTACHMENT A**

**Advice No. 4404**

**(See Attached Service List)**

ATTACHMENT B  
Advice No. 4404

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 48437-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 48433-G
Revised 48438-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 48384-G
Revised 48439-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 48434-G
Revised 48440-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 48386-G
Revised 48441-G	TABLE OF CONTENTS	Revised 48435-G
Revised 48442-G	TABLE OF CONTENTS	Revised 48436-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 .....	1.713¢
GT-12RS, Reservation Rate Option	
Reservation Rate, per therm per day .....	0.842¢
Usage Charge, per therm .....	0.480¢
Volumetric Transportation Charge for Non-Bypass Customers .....	2.056¢
Volumetric Transportation Charge for Bypass Customers .....	2.313¢

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm .....	29.122¢
Non-Residential Cross-Over Rate, per therm .....	29.877¢
Residential Core Procurement Charge, per therm .....	29.122¢
Residential Cross-Over Rate, per therm .....	29.877¢
Adjusted Core Procurement Charge, per therm .....	28.971¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

July 2012 .....	47.873¢	D
August 2012 .....	49.328¢	
September 2012 .....	TBD*	T

Noncore Retail Standby (SP-NR)

July 2012 .....	47.988¢	D
August 2012 .....	49.443¢	
September 2012 .....	TBD*	T

Wholesale Standby (SP-W)

July 2012 .....	47.988¢	D
August 2012 .....	49.443¢	
September 2012 .....	TBD*	T

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

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4404  
 DECISION NO. 89-11-060 & 90-09-089,  
 6/16 et al

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Sep 28, 2012  
 EFFECTIVE Sep 30, 2012  
 RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT  
PART II  
SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

IMBALANCE SERVICE (Continued)

Buy-Back Rate

Core and Noncore Retail (BR-R)

July 2012.....	15.728¢	D
August 2012.....	16.664¢	R
September 2012 .....	14.486¢	

Wholesale (BR-W)

July 2012.....	15.690¢	D
August 2012.....	16.624¢	R
September 2012 .....	14.451¢	

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
Daily Injection, per decatherm/day reserved .....	9.425¢/day

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

Rate, percent reduction .....	2.400%
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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

Annual Inventory, per decatherm reserved .....	(1)
Annual Withdrawal, per decatherm/day reserved .....	(1)
Daily Injection, per decatherm/day reserved .....	(1)

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

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4404  
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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

July 2012 .....	47.873¢	D
August 2012 .....	49.328¢	T
September 2012 .....	TBD*	T

Noncore Retail Service:

SP-NR Standby Rate, per therm

July 2012 .....	47.988¢	D
August 2012 .....	49.443¢	T
September 2012 .....	TBD*	T

Wholesale Service:

SP-W Standby Rate per therm

July 2012 .....	47.988¢	D
August 2012 .....	49.443¢	T
September 2012 .....	TBD*	T

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

(Continued)

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:

BR-R Buy-Back Rate, per therm

July 2012.....	15.728¢	D
August 2012.....	16.664¢	
September 2012 .....	14.486¢	R

Wholesale Service:

BR-W Buy-Back Rate, per therm

July 2012.....	15.690¢	D
August 2012.....	16.624¢	
September 2012 .....	14.451¢	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)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4404  
 DECISION NO. 89-11-060 & 90-09-089,  
 et al

ISSUED BY

**Lee Schavrien**  
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 28, 2012  
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T

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4404  
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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.

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(Continued)

**ATTACHMENT C**

**ADVICE NO. 4404**

**RATE CALCULATION WORKPAPER  
BASED ON ADVICE NO. 4398  
ADJUSTED CORE PROCUREMENT CHARGE FILING  
EFFECTIVE SEPTEMBER 1, 2012**

**Adjusted Core Procurement Charge:**

**Retail G-CPA: 28.971 ¢ per therm**  
( WACOG: 28.479 ¢ + Franchise and Uncollectibles:  
0.492 ¢ or [ 1.7262% \* 28.479 ¢ ] )

**Wholesale G-CPA: 28.902 ¢ per therm**  
( WACOG: 28.479 ¢ + Franchise:  
0.423 ¢ or [ 1.4837% \* 28.479 ¢ ] )

**GIMB Buy-Back Rates**

**BR-R = 50% of Retail G-CPA:**  
50% \* 28.971 cents/therm = **14.486** cents/therm

**BR-W = 50% of Wholesale G-CPA:**  
50% \* 28.902 cents/therm = **14.451** cents/therm