

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 12, 2012

Advice Letter 4416

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

Subject: October 2012 Buy-Back Rates

Dear Ms. Prince:

Advice Letter 4416 is effective October 31, 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

October 31, 2012

Advice No. 4416
(U 904 G)

Public Utilities Commission of the State of California

Subject: October 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 October 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 October, 50% of the Adjusted Core Procurement Charge, G-CPA, is lower than the lowest incremental cost of gas. Therefore, the Buy-Back Rates for October 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 October 2012 Standby Procurement Charges will be filed by separate advice letter at least one day prior to November 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 November 20, 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). 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

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 October 31, 2012, to coincide with SoCalGas' Adjusted Core Procurement Charge filing in Advice No. 4405, dated September 28, 2012.

Notice

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. **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) #: 4416

Subject of AL: October 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 AL¹: N/A

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 10/31/12

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 proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 4415

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 5th Street, GT14D6
Los Angeles, CA 90013-1011
SNewsom@semprautilities.com
Tariffs@socalgas.com**

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4416

(See Attached Service List)

ATTACHMENT B
Advice No. 4416

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|---|-------------------------------------|
| Revised 48499-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6 | Revised 48495-G |
| Revised 48500-G | PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7 | Revised 48438-G |
| Revised 48501-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2 | Revised 48496-G |
| Revised 48502-G | Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3 | Revised 48440-G |
| Revised 48503-G | TABLE OF CONTENTS | Revised 48497-G |
| Revised 48504-G | TABLE OF CONTENTS | Revised 48498-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 | 31.542¢ |
| Non-Residential Cross-Over Rate, per therm | 33.185¢ |
| Residential Core Procurement Charge, per therm | 31.542¢ |
| Residential Cross-Over Rate, per therm | 33.185¢ |
| Adjusted Core Procurement Charge, per therm | 31.391¢ |

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

| | | |
|----------------------|---------|---|
| August 2012 | 49.328¢ | D |
| September 2012 | 55.488¢ | T |
| October 2012 | TBD* | T |

Noncore Retail Standby (SP-NR)

| | | |
|----------------------|---------|---|
| August 2012 | 49.443¢ | D |
| September 2012 | 55.603¢ | T |
| October 2012 | TBD* | T |

Wholesale Standby (SP-W)

| | | |
|----------------------|---------|---|
| August 2012 | 49.443¢ | D |
| September 2012 | 55.603¢ | T |
| October 2012 | TBD* | T |

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4416
 DECISION NO. 89-11-060 & 90-09-089,
 6H7 et al

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Oct 31, 2012
 EFFECTIVE Oct 31, 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)

| | | |
|----------------------|---------|---|
| August 2012..... | 16.664¢ | D |
| September 2012 | 14.486¢ | I |
| October 2012 | 15.696¢ | |

Wholesale (BR-W)

| | | |
|----------------------|---------|---|
| August 2012..... | 16.624¢ | D |
| September 2012 | 14.451¢ | I |
| October 2012 | 15.658¢ | |

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% |
|-------------------------------|--------|

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)
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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

| | | |
|----------------------|---------|---|
| August 2012 | 49.328¢ | D |
| September 2012 | 55.488¢ | T |
| October 2012 | TBD* | |

Noncore Retail Service:

SP-NR Standby Rate, per therm

| | | |
|----------------------|---------|---|
| August 2012 | 49.443¢ | D |
| September 2012 | 55.603¢ | T |
| October 2012 | TBD* | |

Wholesale Service:

SP-W Standby Rate per therm

| | | |
|----------------------|---------|---|
| August 2012 | 49.443¢ | D |
| September 2012 | 55.603¢ | T |
| October 2012 | TBD* | |

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4416
 DECISION NO. 89-11-060 & 90-09-089,
 et al

ISSUED BY
Lee Schavrien
 Senior Vice President

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 DATE FILED Oct 31, 2012
 EFFECTIVE Oct 31, 2012
 RESOLUTION NO. _____

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

| | | |
|----------------------|---------|---|
| August 2012..... | 16.664¢ | D |
| September 2012 | 14.486¢ | I |
| October 2012 | 15.696¢ | |

Wholesale Service:

BR-W Buy-Back Rate, per therm

| | | |
|----------------------|---------|---|
| August 2012..... | 16.624¢ | D |
| September 2012 | 14.451¢ | I |
| October 2012 | 15.658¢ | |

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)

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| G-CP | Core Procurement Service | 47480-G,48482-G,48483-G,48464-G,37933-G |
| GT-F | Firm Intrastate Transportation Service | 47802-G,47803-G,45304-G,45305-G |
| | for Distribution Level Customers | 45306-G,45307-G,45308-G,47167-G |
| | | 45310-G,45311-G,45312-G,45313-G |
| GT-I | Interruptible Intrastate Transportation Service | 47804-G,47805-G,45316-G |
| | for Distribution Level Customers | 45317-G,47168-G,45319-G,45320-G |
| GT-TLS | Intrastate Transportation Service for Transmission Level Customers | 45321-G,47806-G,47807-G,47808-G,45325-G |
| | | 45326-G,45327-G,47169-G,45329-G,45330-G |
| | | 45331-G,45332-G,47170-G, 45334-G,45335-G |
| | | 45336-G,45337-G,45338-G,45339-G |
| GT-SWGX | Wholesale Natural Gas Service | 47960-G,45341-G |
| G-IMB | Transportation Imbalance Service | 43318-G,48501-G 48502-G,48033-G |
| | | 48087-G,48088-G,43324-G,43325-G,47880-G |
| G-OSD | Off-System Delivery Service | 47345-G*,47346-G,48315-G,47348-G |
| G-BTS | Backbone Transportation Service | 48084-G,47349-G,47809-G,48380-G |
| | | 47176-G,47177-G**,47178-G,47179-G,47180-G,47181-G |
| | | 47182-G,47183-G,47184-G,47185-G,47186-G,47187-G |
| | | 43333-G,43334-G,43335-G,43336-G |
| G-POOL | Pooling Service | 42276-G,47350-G*,42278-G |
| G-BSS | Basic Storage Service | 43337-G,47926-G,45767-G,45768-G |
| | | 45769-G,45770-G,43051-G |
| G-AUC | Auction Storage Service | 43338-G,32709-G,32710-G,32711-G |
| | | 32712-G,32713-G,36314-G,32715-G |
| G-LTS | Long-Term Storage Service | 32716-G,32717-G,47927-G,45771-G |
| | | 45772-G,45773-G,43055-G |
| G-TBS | Transaction Based Storage Service | 45355-G,43340-G,47928-G,45775-G |
| | | 45776-G,44933-G |
| G-CBS | UDC Consolidated Billing Service | 34071-G,34072-G,34073-G,33095-G |
| G-SMT | Secondary Market Transactions of Storage Rights | 45359-G,45360-G,45361-G |
| G-TCA | Transportation Charge Adjustment | 46780-G |

T

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4416
 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 Oct 31, 2012
 EFFECTIVE Oct 31, 2012
 RESOLUTION NO. _____

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 | 40864-G | |
| Table of Contents--General and Preliminary Statement | 48504-G,47379-G,48200-G | T |
| Table of Contents--Service Area Maps and Descriptions | 41970-G | |
| Table of Contents--Rate Schedules | 48484-G, 48503-G,47678-G | T |
| Table of Contents--List of Cities and Communities Served | 47970.1-G | |
| Table of Contents--List of Contracts and Deviations | 47970.1-G | |
| Table of Contents--Rules | 47374-G,47375-G | |
| Table of Contents--Sample Forms | 48189-G,47376-G,47377-G,47449-G,48153-G | |

PRELIMINARY STATEMENT

| | | |
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| Part I General Service Information | 45597-G,24332-G,24333-G,24334-G,24749-G | |
| Part II Summary of Rates and Charges | 48468-G,48469-G,48470-G,47779-G,47780-G,48499-G 48500-G,46431-G,46432-G,47676-G,48447-G,48448-G,48449-G,47785-G | T T |
| Part III Cost Allocation and Revenue Requirement | 45267-G,45268-G,45269-G,47786-G,47787-G | |
| Part IV Income Tax Component of Contributions and Advances | 47868-G,24354-G | |
| Part V Balancing Accounts | | |
| Description and Listing of Balancing Accounts | 47157-G | |
| Purchased Gas Account (PGA) | 45754-G,45755-G | |
| Core Fixed Cost Account (CFCA) | 47158-G,47104-G | |
| Noncore Fixed Cost Account (NFCA) | 47159-G,47106-G | |
| Enhanced Oil Recovery Account (EORA) | 47160-G | |
| Noncore Storage Balancing Account (NSBA) | 46962-G,46963-G | |
| California Alternate Rates for Energy Account (CAREA) | 45882-G,45883-G | |
| Hazardous Substance Cost Recovery Account (HSCRA) | 40875-G, 40876-G,40877-G | |
| Gas Cost Rewards and Penalties Account (GCRPA) | 40881-G | |
| Pension Balancing Account (PBA) | 45013-G,45014-G | |
| Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) . | 45015-G,45016-G | |

(Continued)

ATTACHMENT C

ADVICE NO. 4416

**RATE CALCULATION WORKPAPER
BASED ON ADVICE NO. 4405
ADJUSTED CORE PROCUREMENT CHARGE FILING
EFFECTIVE OCTOBER 1, 2012**

Adjusted Core Procurement Charge:

Retail G-CPA: 31.391 ¢ per therm
(WACOG: 30.858 ¢ + Franchise and Uncollectibles:
0.533 ¢ or [1.7262% * 30.858 ¢])

Wholesale G-CPA: 31.316 ¢ per therm
(WACOG: 30.858 ¢ + Franchise:
0.458 ¢ or [1.4837% * 30.858 ¢])

GIMB Buy-Back Rates

BR-R = 50% of Retail G-CPA:
50% * 31.391 cents/therm = **15.696** cents/therm

BR-W = 50% of Wholesale G-CPA:
50% * 31.316 cents/therm = **15.658** cents/therm