

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 21, 2014

**Advice Letter: 4656-G**

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

**SUBJECT: May 2014 Standby Procurement Charges**

Dear Ms. Prince:

Advice Letter 4656-G is effective as of June 23, 2014.

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***

June 23, 2014

Advice No. 4656  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: May 2014 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 A.

**Purpose**

This routine monthly filing updates the Standby Procurement Charges in Schedule No. G-IMB for May 2014.

**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.

**Information**

For the “flow month” of May 2014 (covering the period May 1, 2014 to June 20, 2014), the highest daily border price index at the Southern California border is \$0.48902 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$0.73618 per therm for noncore retail service and all wholesale service, and \$0.73503 per therm for core retail service. The work paper showing details of the calculation of these rates is incorporated herein as Attachment B.

**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 July 13, 2014. 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 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](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. SoCalGas respectfully requests that the tariff sheets filed herein be made effective June 23, 2014, 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 June 25, 2014.

**Notice**

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-3387.

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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) #: 4656

Subject of AL: May 2014 Standby Procurement Charges

Keywords (choose from CPUC listing): Preliminary Statement; Standby Service; Procurement

AL filing type:  Monthly     Quarterly     Annual     One-Time     Other

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

G-3316

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: 6/23/14

No. of tariff sheets: 4

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: 4648 and 4650

**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](mailto: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](mailto:SNewsom@semprautilities.com)  
[Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

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

ATTACHMENT A  
Advice No. 4656

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 50426-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 50405-G
Revised 50427-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 50369-G
Revised 50428-G	TABLE OF CONTENTS	Revised 50419-G
Revised 50429-G	TABLE OF CONTENTS	Revised 50340-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 .....	1.905¢
GT-12RS, Reservation Rate Option	
Reservation Rate, per therm per day .....	0.989¢
Usage Charge, per therm .....	0.434¢
Volumetric Transportation Charge for Non-Bypass Customers .....	2.285¢
Volumetric Transportation Charge for Bypass Customers .....	2.571¢

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm .....	51.185¢
Non-Residential Cross-Over Rate, per therm .....	51.185¢
Residential Core Procurement Charge, per therm .....	51.185¢
Residential Cross-Over Rate, per therm .....	51.185¢
Adjusted Core Procurement Charge, per therm .....	51.034¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

March 2014 .....	131.028¢
April 2014 .....	73.503¢
May 2014 .....	73.503¢

Noncore Retail Standby (SP-NR)

March 2014 .....	131.143¢
April 2014 .....	73.618¢
May 2014 .....	73.618¢

Wholesale Standby (SP-W)

March 2014 .....	131.143¢
April 2014 .....	73.618¢
May 2014 .....	73.618¢

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4656  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jun 23, 2014  
 EFFECTIVE Jun 23, 2014  
 RESOLUTION NO. G-3316

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

March 2014 .....	131.028¢
April 2014 .....	73.503¢
May 2014 .....	73.503¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

March 2014 .....	131.143¢
April 2014 .....	73.618¢
May 2014 .....	73.618¢

Wholesale Service:

SP-W Standby Rate per therm

March 2014 .....	131.143¢
April 2014 .....	73.618¢
May 2014 .....	73.618¢

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(Continued)

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 Senior Vice President

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 RESOLUTION NO. G-3316



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(TO BE INSERTED BY UTILITY)  
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ISSUED BY  
**Lee Schavrien**  
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jun 23, 2014  
 EFFECTIVE Jun 23, 2014  
 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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**ATTACHMENT B**

**ADVICE NO. 4656**

**RATE CALCULATION WORK PAPER  
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING  
EFFECTIVE MAY 2014**

**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 May 2, 2014

**05/02/14 NGI’s Daily Gas Price Index (NDGPI) = \$0.48900 per therm**

**05/02/14 Intercontinental Exchange Daily Indices (ICEDI) = \$0.48903 per therm**

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

**HDBPI = \$0.48902 per therm**

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

**SP-CR = 150% x \$0.48902 + \$0.00151 = \$0.73503**

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

**SP-NR = 150% x \$0.48902 + \$0.00266 = \$0.73618**

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

**SP-W = 150% x \$0.48902 + \$0.00266 = \$0.73618**