

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 20, 2009

**Advice Letter 3974**

Ronald van der Leeden, Director  
Rates, Revenues and Tariffs  
8330 Century Park Court CP32C  
San Diego, CA 92123-1548

**Subject: February 2009 Standby Procurement Charges**

Dear Mr. van der Leeden:

Advice Letter 3974 is effective March 23, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



**Ronald van der Leeden**  
Director  
Rates, Revenues and Tariffs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
Tel: 213.244.2009  
Fax: 213.244.3201  
rvanderleeden@semprautilities.com

March 23, 2009

Advice No. 3974  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: February 2009 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 B.

**Purpose**

This routine monthly filing updates the Standby Procurement Charges in Schedule No. G-IMB for February 2009.

**Background**

Resolution G-3316, dated May 24, 2001, 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 0.188¢ 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 "Gas Daily's Daily Price Survey - SoCal Gas Midpoint."
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 February 2009 (covering the period February 1, 2009 to March 20, 2009), the highest daily border price index at the Southern California border is \$0.40825 per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are \$0.61504 per therm for noncore retail service and all wholesale service, and \$0.61426 per therm for core retail service. The workpaper showing details of the calculation of these rates is incorporated herein as Attachment C.

**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. 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 ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)) of the Energy Division. 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 March 23, 2009, 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 March 25, 2009.

**Notice**

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

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Ronald van der Leeden  
Director  
Rates, Revenues, and Tariffs

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) #: 3974

Subject of AL: February 2009 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: March 23, 2009

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: 3938, 3965, and 3967

**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 5<sup>th</sup> 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. 3974**

**(See Attached Service List)**

Aglet Consumer Alliance  
James Weil  
jweil@aglet.org

Alcantar & Kahl  
Kari Harteloo  
klc@a-klaw.com

Alcantar & Kahl  
Seema Srinivasan  
sls@a-klaw.com

Alcantar & Kahl LLP  
Annie Stange  
sas@a-klaw.com

Alcantar & Kahl, LLP  
Mike Cade  
wmc@a-klaw.com

BP Amoco, Reg. Affairs  
Marianne Jones  
501 West Lake Park Blvd.  
Houston, TX 77079

Barkovich & Yap  
Catherine E. Yap  
ceyap@earthlink.net

Beta Consulting  
John Burkholder  
burkee@cts.com

CPUC  
Consumer Affairs Branch  
505 Van Ness Ave., #2003  
San Francisco, CA 94102

CPUC  
Energy Rate Design & Econ.  
505 Van Ness Ave., Rm. 4002  
San Francisco, CA 94102

CPUC  
Pearlie Sabino  
pzs@cpuc.ca.gov

CPUC - DRA  
Galen Dunham  
gsd@cpuc.ca.gov

CPUC - DRA  
Jacqueline Greig  
jnm@cpuc.ca.gov

CPUC - DRA  
R. Mark Pocta  
rmp@cpuc.ca.gov

California Energy Market  
Lulu Weinzimer  
luluw@newsdata.com

Calpine Corp  
Avis Clark  
aclark@calpine.com

City of Anaheim  
Ben Nakayama  
Public Utilities Dept.  
P. O. Box 3222  
Anaheim, CA 92803

City of Azusa  
Light & Power Dept.  
215 E. Foothill Blvd.  
Azusa, CA 91702

City of Banning  
Paul Toor  
P. O. Box 998  
Banning, CA 92220

City of Burbank  
Fred Fletcher/Ronald Davis  
164 West Magnolia Blvd., Box 631  
Burbank, CA 91503-0631

City of Colton  
Thomas K. Clarke  
650 N. La Cadena Drive  
Colton, CA 92324

City of Long Beach, Gas & Oil Dept.  
Chris Garner  
2400 East Spring Street  
Long Beach, CA 90806

City of Los Angeles  
City Attorney  
200 North Main Street, 800  
Los Angeles, CA 90012

City of Pasadena - Water and Power  
Dept.  
G Bawa  
GBawa@cityofpasadena.net

City of Riverside  
Joanne Snowden  
jsnowden@riversideca.gov

City of Vernon  
Dan Bergmann  
dan@igservice.com

Commerce Energy  
Blake Lazusso  
blasuzzo@commerceenergy.com

Commerce Energy  
Brian Patrick  
BPatrick@commerceenergy.com

Commerce Energy  
Catherine Sullivan  
csullivan@commerceenergy.com

County of Los Angeles  
Stephen Crouch  
1100 N. Eastern Ave., Room 300  
Los Angeles, CA 90063

Crossborder Energy  
Tom Beach  
tomb@crossborderenergy.com

Culver City Utilities  
Heustace Lewis  
Heustace.Lewis@culvercity.org

DGS  
Henry Nanjo  
Henry.Nanjo@dgs.ca.gov

Davis Wright Tremaine, LLP  
Edward W. O'Neill  
505 Montgomery Street, Ste 800  
San Francisco, CA 94111

Davis, Wright, Tremaine  
Judy Pau  
judypau@dwt.com

Dept. of General Services  
Celia Torres  
celia.torres@dgs.ca.gov

Douglass & Liddell  
Dan Douglass  
douglass@energyattorney.com

Douglass & Liddell  
Donald C. Liddell  
liddell@energyattorney.com

Downey, Brand, Seymour & Rohwer  
Dan Carroll  
dcarroll@downeybrand.com

Dynegy  
Joseph M. Paul  
jmpa@dynegy.com

Gas Transmission Northwest  
Corporation  
Bevin Hong  
Bevin\_Hong@transcanada.com

General Services Administration  
Facilities Management (9PM-FT)  
450 Golden Gate Ave.  
San Francisco, CA 94102-3611

Goodin, MacBride, Squeri, Ritchie &  
Day, LLP  
J. H. Patrick  
hpatrick@gmssr.com

Goodin, MacBride, Squeri, Ritchie &  
Day, LLP  
James D. Squeri  
jsqueri@gmssr.com

Hanna & Morton  
Norman A. Pedersen, Esq.  
npedersen@hanmor.com

Imperial Irrigation District  
K. S. Noller  
P. O. Box 937  
Imperial, CA 92251

JBS Energy  
Jeff Nahigian  
jeff@jbsenergy.com

Jeffer, Mangels, Butler & Marmaro  
2 Embarcaero Center, 5th Floor  
San Francisco, CA 94111

Kern River Gas Transmission Company  
Janie Nielsen  
Janie.Nielsen@KernRiverGas.com

LA County Metro  
Julie Close  
closeJ@metro.net

LADWP  
Nevenka Ubavich  
nevenka.ubavich@ladwp.com

LADWP  
Randy Howard  
P. O. Box 51111, Rm. 1522  
Los Angeles, CA 90051-0100

Law Offices of Diane I. Fellman  
Diane Fellman  
diane\_fellman@fpl.com

Law Offices of William H. Booth  
William Booth  
wbooth@booth-law.com

Luce, Forward, Hamilton & Scripps  
John Leslie  
jleslie@luce.com

MRW & Associates  
Robert Weisenmiller  
mrw@mrwassoc.com

Manatt Phelps Phillips  
Randy Keen  
rkeen@manatt.com

Manatt, Phelps & Phillips, LLP  
David Huard  
dhuard@manatt.com

March Joint Powers Authority  
Lori Stone  
23555 Meyer Drive,  
March Air Reserve Base, CA 92518-  
2038

Matthew Brady & Associates  
Matthew Brady  
matt@bradylawus.com

Julie Morris  
Julie.Morris@PPMenergy.com

National Utility Service, Inc.  
Jim Boyle  
One Maynard Drive, P. O. Box 712  
Park Ridge, NJ 07656-0712

Navigant Consulting, Inc.  
Ray Welch  
ray.welch@navigantconsulting.com

PG&E Tariffs  
Pacific Gas and Electric  
PGETariffs@pge.com

Praxair Inc  
Rick Noger  
rick\_noger@praxair.com

Questar Southern Trails  
Lenard Wright  
Lenard.Wright@Questar.com

R. W. Beck, Inc.  
Catherine Elder  
celder@rwbeck.com

Regulatory & Cogen Services, Inc.  
Donald W. Schoenbeck  
900 Washington Street, #780  
Vancouver, WA 98660

Richard Hairston & Co.  
Richard Hairston  
hairstonco@aol.com

Safeway, Inc  
Cathy Ikeuchi  
cathy.ikeuchi@safeway.com

Sempra Global  
William Tobin  
wtobin@sempraglobal.com

Sierra Pacific Company  
Christopher A. Hilan  
chilen@sppc.com

Southern California Edison Co  
Fileroom Supervisor  
2244 Walnut Grove Ave., Rm 290, GO1  
Rosemead, CA 91770

Southern California Edison Co  
Karyn Gansecki  
601 Van Ness Ave., #2040  
San Francisco, CA 94102

Southern California Edison Co.  
Colin E. Cushnie  
Colin.Cushnie@SCE.com

Southern California Edison Co.  
Kevin Cini  
Kevin.Cini@SCE.com

Southern California Edison Co.  
John Quinlan  
john.quinlan@sce.com

Southern California Edison Company  
Michael Alexander  
Michael.Alexander@sce.com

Southwest Gas Corp.  
John Hester  
P. O. Box 98510  
Las Vegas, NV 89193-8510

Suburban Water System  
Bob Kelly  
1211 E. Center Court Drive  
Covina, CA 91724

Sutherland, Asbill & Brennan  
Keith McCrea  
kmccrea@sablalaw.com

TURN  
Marcel Hawiger  
marcel@turn.org

TURN  
Mike Florio  
mflorio@turn.org

The Mehle Law Firm PLLC  
Colette B. Mehle  
cmehle@mehlelaw.com

Western Manufactured Housing  
Communities Assoc.  
Sheila Day  
sheila@wma.org

ATTACHMENT B  
Advice No. 3974

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 44534-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 44463-G
Revised 44535-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 44464-G
Revised 44536-G	TABLE OF CONTENTS	Revised 44532-G
Revised 44537-G	TABLE OF CONTENTS	Revised 44533-G

PRELIMINARY STATEMENT  
 PART II  
SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

December .....	90.563¢
January .....	81.113¢
February .....	61.426¢

Noncore Retail Standby (SP-NR)

December .....	90.641¢
January .....	81.191¢
February .....	61.504¢

Wholesale Standby (SP-W)

December .....	90.641¢
January .....	81.191¢
February .....	61.504¢

Buy-Back Rate

Core and Noncore Retail (BR-R)

December .....	26.213¢
January .....	26.877¢
February .....	18.540¢

Wholesale (BR-W)

December .....	26.150¢
January .....	26.813¢
February .....	18.496¢

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3974  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Mar 23, 2009  
 EFFECTIVE Mar 23, 2009  
 RESOLUTION NO. G-3316

Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(Continued)

RATES (Continued)

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 0.188¢ 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 "Gas Daily's Daily Price Survey – SoCal gas, Midpoint."

Core Retail Service:

SP-CR Standby Rate, per therm

December .....	90.563¢
January .....	81.113¢
February .....	61.426¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

December .....	90.641¢
January .....	81.191¢
February .....	61.504¢

Wholesale Service:

SP-W Standby Rate per therm

December .....	90.641¢
January .....	81.191¢
February .....	61.504¢

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 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.

(Continued)

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

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(Continued)

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G-RPA	Receipt Point Access .....	42260-G,42261-G,42262-G,42263-G,42264-G,42265-G 43327-G,43328-G,43329-G,43330-G,43331-G,43332-G 43333-G,43334-G,43335-G,43336-G
G-POOL	Pooling Service .....	42276-G,42277-G,42278-G
G-BSS	Basic Storage Service .....	43337-G,32701-G,43047-G,43048-G 43049-G,43050-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,32718-G,43052-G 43053-G,43054-G,43055-G
G-TBS	Transaction Based Storage Service .....	43339-G,43340-G,43341-G,43342-G 43343-G,43344-G
G-CBS	UDC Consolidated Billing Service .....	34071-G,34072-G,34073-G,33095-G
G-PPPS	Public Purpose Programs Surcharge .....	44042-G,39517-G,39518-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account .....	42000-G
G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program .....	32828-G
G-MSUR	Transported Gas Municipal Surcharge .....	38761-G,25006-G
GIT	Interruptible Interutility Transportation .....	24567-G,24568-G
GLT	Long-Term Transportation of Customer-Owned Natural Gas .....	24569-G,24570-G,42279-G
GLT-1	Transportation of Customer-Owned Natural Gas .....	24572-G,24573-G,24574-G 24575-G,24576-G,24577-G
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G-PAL	Operational Hub Services .....	43348-G,43349-G,43350-G
G-FIG	Fiber Optic Cable in Gas Pipelines .....	40828-G,40829-G,40830-G,40831-G 40832-G,40833-G,40834-G,40835-G,40836-G,40837-G

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3974  
 DECISION NO.  
 346

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Mar 23, 2009  
 EFFECTIVE Mar 23, 2009  
 RESOLUTION NO. G-3316

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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page .....	40864-G
Table of Contents--General and Preliminary Statement .....	44537-G,44195-G,44266-G
Table of Contents--Service Area Maps and Descriptions .....	41970-G
Table of Contents--Rate Schedules .....	44523-G,44524-G,44536-G
Table of Contents--List of Cities and Communities Served .....	40149.1-G
Table of Contents--List of Contracts and Deviations .....	40149.1-G
Table of Contents--Rules .....	43785-G,44206-G
Table of Contents--Sample Forms .....	43792-G,44116-G,43404-G,44089-G,43406-G

PRELIMINARY STATEMENT

Part I General Service Information .....	37917-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges .....	44503-G,44504-G,44505-G,44506-G,44507-G,44472-G 44534-G,43595-G,43596-G,44041-G,44473-G,44474-G,44224-G,44225-G
Part III Cost Allocation and Revenue Requirement .....	27024-G,37920-G,27026-G,27027-G,44226-G
Part IV Income Tax Component of Contributions and Advances .....	44448-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts .....	43687-G
Purchased Gas Account (PGA) .....	43839-G
Core Fixed Cost Account (CFCA) .....	42242-G
Noncore Fixed Cost Account (NFCA) .....	42243-G
Enhanced Oil Recovery Account (EORA) .....	42244-G
Noncore Storage Balancing Account (NSBA) .....	44191-G,44192-G
California Alternate Rates for Energy Account (CAREA) .....	40872-G,40873-G
Brokerage Fee Account (BFA) .....	40874-G
Hazardous Substance Cost Recovery Account (HSCRA) .....	40875-G, 40876-G,40877-G
Natural Gas Vehicle Account (NGVA) .....	43688-G,40879-G
El Paso Turned-Back Capacity Balancing Account (EPTCBA) .....	40880-G
Gas Cost Rewards and Penalties Account (GCRPA) .....	40881-G
Pension Balancing Account (PBA) .....	43689-G,43690-G

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3974  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Mar 23, 2009  
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 RESOLUTION NO. G-3316

**ATTACHMENT C**

**ADVICE NO. 3974**

**RATE CALCULATION WORKPAPER  
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING  
EFFECTIVE FEBRUARY 2009**

**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  
“Gas Daily’s Daily Price Survey - SoCal Gas Midpoint.”

The highest daily border price index for the period was on February 11, 2009

**02/11/09 NGI’s Daily Gas Price Index (NDGPI) = \$0.4080 per therm**

**02/11/09 Gas Daily’s Daily Price Survey (GDDPS) = \$0.4085 per therm**

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

**HDBPI = \$0.40825 per therm**

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

**SP-CR = 150% x \$0.40825 + \$0.00188 = \$0.61426**

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

**SP-NR = 150% x \$0.40825 + \$0.00266 = \$0.61504**

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

**SP-W = 150% x \$0.40825 + \$0.00266 = \$0.61504**