

PUBLIC UTILITIES COMMISSION

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December 21, 2010

Advice Letter 4156-A

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

**Subject: Supplemental : Annual Regulatory Account Balance Update
for Rates Effective January 1, 2011**

Dear Ms. Prince:

Advice Letter 4156-A is effective January 1, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



Rasha Prince
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Regulatory Affairs

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October 29, 2010

Advice No. 4156-A
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Supplemental: Annual Regulatory Account Balance Update for Rates
Effective January 1, 2011**

Southern California Gas Company (SoCalGas) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective January 1, 2011.

Purpose

This supplemental filing replaces in its entirety Advice No. (AL) 4156 dated October 15, 2010 in order to remove the \$0.3 million projected year-end undercollected balance for the California Solar Initiative (CSI) Thermal Program Memorandum Account (CSITPMA).

In Decision (D.) 10-01-022, the Commission established the CSI Thermal Program (Thermal Program) to promote the installation of solar water heating systems in homes and businesses pursuant to Assembly Bill (AB) 1470. SoCalGas filed AL 4102 to establish the CSITPMA to record expenses related to the Thermal Program¹. Ordering Paragraph (OP) 16 of D.10-01-022 exempts customers who participate in the California Alternate Rates for Energy Program and customers who are currently exempt from funding the Self-Generation Incentive Program from being charged for the Thermal Program's costs. However, AB 1470 provides further detailed language for exemptions on customers who procure natural gas that is used for the purpose that PUC Section 896 specifically excludes. As a result, SoCalGas is unable to identify all customers who can be classified as exempt and implement changes to its billing system by year-end to accommodate excluding these exempt customers from being charged for the Thermal Program's costs in rates effective 1/1/2011. SoCalGas anticipates making these changes by the 3rd quarter of 2011. Therefore, SoCalGas plans to include the CSITPMA's 2010 year-end undercollected balance in rates effective 1/1/2012.

This filing, made each year on or before October 15th, complies with the longstanding practice of updating SoCalGas' revenue requirement for projected year-end regulatory account balances as established in OP 2 of D.94-12-052. This filing revises SoCalGas' rates

¹ AL 4102 was filed April 16, 2010 and approved August 20, 2010.

to incorporate the projected 2010 year-end regulatory account balances in transportation rates effective January 1, 2011. In compliance with D.06-12-031 and Resolution G-3407, this filing also revises the Firm Access Rights (FAR) rate effective January 1, 2011.

In addition, in compliance with SoCalGas' 2009 Biennial Cost Allocation Proceeding (BCAP) D.09-11-006 on Phase II issues, this filing revises SoCalGas' 2011 revenue requirement for Company-Use (CU) Fuel and Unaccounted For (UAF) Gas costs based on the updated Gas Price forecast as shown in Attachment D.

Background

The revenue requirement related to the regulatory account balances are amortized in rates over 12 months beginning each January 1st. It should be noted that the revenue requirement herein does not include other revenue requirement adjustments² expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2011. SoCalGas will file an advice letter consolidating all Commission-authorized changes in its revenue requirement, and the related changes to its rates, at least three days prior to the January 1, 2011 effective date of such rates.

Customer Rate Impact – Regulatory Account Balances

Total

The SoCalGas transportation revenue requirement will increase by \$40.8 million. The core and noncore customer revenue requirements will increase by \$25.8 million and \$15.0 million, respectively, as a result of the regulatory account balance update.

Attachment B in this filing shows the Natural Gas Transportation Rate Revenue table summarizing the change in the regulatory account balances and authorized CU Fuel and UAF Gas costs and corresponding present and proposed rates. Attachment C shows a Summary of Present and Proposed Regulatory Account Balances while Attachments E and F show the calculation of the Pension Balancing Account (PBA) and Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA) balances to be included in 2011 rates. Attachments G and H show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2010.³

Core Customers

A \$25.8 million increase in the core transportation revenue requirement reflects the amortization of the projected year-end 2010 regulatory account balances. The increase is primarily due to a decrease in the Core Fixed Cost Account (CFCA) overcollected balance partially offset by decreases in the undercollected balances in the Reward and Penalty Balancing Account (RPBA) and the Blythe Operational Flow Requirement Memorandum Account (BOFRMA) as described below.

² 2011 GRC Attrition, Energy Efficiency incentives.

³ Pursuant to R. van der Leeden's declaration as referenced on page 5 of D.09-09-011.

CFCA – Pursuant to AL 4025-A, SoCalGas was authorized to amortize in 2010 rates a CFCA overcollection of \$6.2 million. Effective February 1, 2010 with the implementation of SoCalGas' 2009 BCAP, the CFCA overcollection incorporated into rates was increased to \$21.7 million with the inclusion of the core allocation of overcollected balance of the eliminated Natural Gas Vehicle Account (NGVA) and accumulated supplier refunds. The projected CFCA balance for amortization in 2011 rates is \$18.6 million undercollected, representing a revenue requirement increase of \$40.3 million.

RPBA – Pursuant to AL 4025-A, SoCalGas was authorized to amortize in 2010 rates a RPBA undercollection of \$5.5 million. In SoCalGas' 2009 year-end Consolidated Filing⁴, the RPBA undercollection was increased by \$2.1 million resulting in a \$7.6 million undercollection for incorporation into 2010 rates. The increase represents approval of SoCalGas' second installment of interim 2006-2008 incentive earnings for savings achieved under its energy efficiency programs pursuant to D.09-12-045. The projected RPBA balance for amortization in 2011 rates is \$0.1 million overcollected, representing a revenue requirement decrease of \$7.7 million. The core revenue requirement allocation is \$7.1 million.

BOFRMA – Pursuant to SoCalGas' 2009 BCAP, SoCalGas was authorized to amortize in rates a BOFRMA undercollection of \$10.9 million. As of December 31, 2010, the BOFRMA is projected to have a remaining undercollected balance of \$0.9 million as a result of amortizing the undercollected balance for 11 months in 2010. As authorized in SoCalGas' 2009 BCAP, the BOFRMA no longer tracks costs for minimum flow requirements at Blythe as such costs are to be recorded in the System Reliability Memorandum Account (SRMA). As the BOFRMA is only being used to track amortization of the undercollected balance, SoCalGas proposes to eliminate the BOFRMA and allocate the remaining projected year-end balance to the CFCA and Noncore Fixed Cost Account (NFCA) based on the authorized BOFRMA allocation methodology for inclusion in core and noncore transportation rates, respectively. As a result, the core revenue requirement allocation is \$4.1 million.

The major components of the core revenue requirement increase are as follows:⁵

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	40.3
RPBA	(7.1)
BOFRMA	(4.1)
Other Regulatory Accounts - net	(3.3)
Total Core Revenue Requirement	25.8

⁴ AL 4053 dated December 29, 2009 made effective January 1, 2010.

⁵ Amounts shown include franchise fees and uncollectibles.

Noncore Customers

A \$15.0 million increase in the total noncore transportation revenue requirement reflects the amortization of the projected year-end 2010 regulatory account balances. The increase is primarily due to decreases in the overcollected balances in the NFCA and Firm Access & Storage Rights Memorandum Account (FASRMA) partially offset by a decrease in the BOFRMA undercollected balance as described below.

NFCA – Pursuant to AL 4025-A, SoCalGas was authorized to amortize in 2010 rates a NFCA undercollection of \$8.2 million. With the implementation of SoCalGas' 2009 BCAP, the NFCA balance incorporated into rates was revised to a \$5.6 million overcollection reflecting the inclusion of the noncore customer's allocation of the overcollected balance of the NGVA and accumulated supplier refunds. The projected NFCA balance for amortization in 2011 rates is \$8.8 million undercollected, representing a revenue requirement increase of \$14.4 million.

FASRMA – Pursuant to SoCalGas' 2009 BCAP, SoCalGas was authorized to amortize in rates a FASRMA overcollection of \$3.3 million. As of December 31, 2010, the FASRMA is projected to have an undercollected balance of \$3.0 million, representing a revenue requirement increase of \$6.3 million. The noncore revenue requirement allocation of this increase is \$3.9 million.

BOFRMA – As discussed above, SoCalGas projects a revenue requirement decrease of \$10.9 million. The noncore revenue requirement allocation of this decrease is \$6.8 million.

The major components of the noncore revenue requirement decrease are as follows:⁵

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
NFCA	14.4
BOFRMA	(6.8)
FASRMA	3.9
Other Regulatory Accounts - net	3.5
Total Noncore Revenue Requirement	15.0

Revision to the FAR Rate

Pursuant to SoCalGas' 2009 BCAP, SoCalGas was authorized to establish the Firm Access Rights Balancing Account (FARBA) to replace the FAR subaccount within SoCalGas' Integrated Transmission Balancing Account (ITBA) and transfer the balance from the ITBA-FAR subaccount to the FARBA.

Pursuant to AL 4025-A, SoCalGas was authorized to amortize in 2010 rates a FARBA (formerly ITBA-FAR subaccount) overcollection of \$7.4 million. As of December 31, 2010, the FARBA is projected to have an overcollected balance of \$12.3 million, representing a FAR revenue requirement decrease of \$4.9 million. The calculation of the proposed FAR rate for 2011 is detailed below:

Revision to FAR Rate

	<u>Present</u>	<u>Proposed</u>
Unbundled FAR Revenues (M\$)	\$51,420	\$51,420
FARBA (M\$)	(\$7,361)	(\$12,321)
FAR Revenue Requirement (M\$)	<u>\$44,058</u>	<u>\$39,099</u>
FFU Rate	<u>1.017258</u>	<u>1.017258</u>
FAR Revenue w/FFU (M\$)	<u><u>\$44,819</u></u>	<u><u>\$39,773</u></u>
FAR Demand Dth/Day	<u>2,866,136</u>	<u>2,866,136</u>
FAR rate w/FFU \$/dth day	<u><u>\$0.04284</u></u>	<u><u>\$0.03802</u></u>

Revenue Requirement Change in CU Fuel and UAF Gas costs

Pursuant to the Settlement Agreement (Settlement) in SoCalGas' 2009 BCAP, the Commission authorized SoCalGas to update the underlying gas price used in determining the authorized costs for CU Fuel and UAF Gas. On an annual basis, SoCalGas would update the underlying gas price in the October filing using a forecast of Southern California border gas prices for the next year that is based on current futures prices.

As shown in Attachment D, SoCalGas forecasts the average gas price of \$4.50/MMBtu for 2011, a decrease of \$0.58/MMBtu from the \$5.08/MMBtu authorized for rates effective February 1, 2010. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for CU Fuel and UAF Gas to \$50.9 million, a decrease of \$6.6 million compared to the present revenue requirement as shown in the calculation below:

Gas price impact (UAF, CU Fuel)

	<u>Present</u>	<u>Proposed</u>	<u>Decrease</u>
<u>UnAccounted For Gas (UAF):</u>			
System Volumes Mth/yr	9,613,583	9,613,583	
% UAF (as % of end use)	<u>0.892%</u>	<u>0.892%</u>	
UAF Volumes Mth/yr	85,753	85,753	
Gas Price \$/dth	<u>\$5.08</u>	<u>\$4.50</u>	
UAF (M\$)	<u>\$43,563</u>	<u>\$38,574</u>	<u>\$4,989</u>
 <u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	3,647	3,647	
Gas Price \$/dth	<u>\$5.08</u>	<u>\$4.50</u>	
Company Use Gas: Storage Load Balancing (M\$)	<u>\$1,853</u>	<u>\$1,640</u>	<u>\$212</u>
 <u>Company Use Transmission :</u>			
Co Use Trans rate as % of end use	0.202%	0.202%	
Gas Price \$/th	<u>\$0.508</u>	<u>\$0.450</u>	
	\$0.00103	\$0.00091	
System Volumes Mth/yr	9,613,583	9,613,583	
Co Use Transmission (M\$)	<u>\$9,865</u>	<u>\$8,735</u>	<u>\$1,130</u>
 <u>Company Use Other:</u>			
Total 2005 & 2006 (Mth)	8,453	8,453	
Annual Average Volumes (Mth/year)	4,227	4,227	
Gas Price \$/th	<u>\$0.508</u>	<u>\$0.450</u>	
Co Use Other (M\$)	<u>\$2,147</u>	<u>\$1,901</u>	<u>\$246</u>
 Total CU Fuel and UAF Gas costs	 <u>\$57,427</u>	 <u>\$50,851</u>	 <u>\$6,577</u>

Protests

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 of this Advice Letter which is November 18, 2010. 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) and to Honesto Gatchalian (ijnj@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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition, and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This filing is consistent with D.94-12-052 and therefore SoCalGas respectfully requests that this filing be approved November 28, 2010, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2011.

Notice

A copy of this advice letter is being sent to all parties listed on Attachment A, which includes the parties on the service lists in A.06-12-010, TY 2008 GRC, and A.08-02-001, 2008 BCAP.

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) #: 4156-A

Subject of AL: Supplement: Annual Regulatory Account Balance Update for Rates Effective Jan. 1, 2011

Keywords (choose from CPUC listing): PBR, GRC, Balancing Account

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.94-12-052, D.06-12-031, G-3407

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: 11/28/10 AL: 1/1/11 Rates

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 1.6%

Estimated system average rate effect (%): 1.6%

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: None

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: None

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

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Los Angeles, CA 90013-1011

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¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 4156-A

(See Attached Service Lists)

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ATTACHMENT B
Supplemental Advice No. 4156-A

TABLE 1
Natural Gas Transportation Rate Revenues
Southern California Gas Company
2009 BIENNIAL COST ALLOCATION PROCEEDING

	Present Rates			Proposed Rates			Changes			
	2/1/2010	Average	2/1/2010	BCAP	Proposed	Proposed	Revenue	Rate	% Rate	
	Volumes	Rate	Revenues	Volumes	Rate	Revenues	Change	Change	change	
	Mth	\$/therm	\$000's	Mth	\$/therm	\$000's	\$000's	\$/therm	%	
	A	B	C	D	E	F	G	H	I	
1	CORE									
2	Residential	2,483,989	\$0.50882	\$1,263,906	2,483,989	\$0.51415	\$1,277,139	\$13,233	\$0.00533	1.0%
3	Commercial & Industrial	970,519	\$0.30605	\$297,023	970,519	\$0.31295	\$303,728	\$6,705	\$0.00691	2.3%
4										
5	NGV - Pre SempraWide	117,231	\$0.07934	\$9,302	117,231	\$0.08868	\$10,395			
6	SempraWide Adjustment	117,231	\$0.00323	\$379	117,231	\$0.00236	\$277			
7	NGV - Post SempraWide	117,231	\$0.08258	\$9,680	117,231	\$0.09104	\$10,672	\$992	\$0.00846	10.2%
8										
9	Gas A/C	1,210	\$0.07200	\$87	1,210	\$0.08140	\$99	\$11	\$0.00940	13.1%
10	Gas Engine	18,080	\$0.09197	\$1,663	18,080	\$0.10119	\$1,830	\$167	\$0.00922	10.0%
11	Total Core	3,591,030	\$0.43786	\$1,572,360	3,591,030	\$0.44374	\$1,593,468	\$21,108	\$0.00588	1.3%
12										
13	NONCORE COMMERCIAL & INDUSTRIAL									
14	Distribution Level Service	982,465	\$0.06822	\$67,028	982,465	\$0.07178	\$70,526	\$3,498	\$0.00356	5.2%
15	Transmission Level Service (2)	457,697	\$0.02206	\$10,096	457,697	\$0.02386	\$10,922	\$826	\$0.00181	8.2%
16	Total Noncore C&I	1,440,163	\$0.05355	\$77,124	1,440,163	\$0.05656	\$81,448	\$4,324	\$0.00300	5.6%
17										
18	NONCORE ELECTRIC GENERATION									
19	Distribution Level Service									
20	Pre Sempra Wide	353,995	\$0.03329	\$11,785	353,995	\$0.03562	\$12,611	\$826	\$0.00233	7.0%
21	Sempra Wide Adjustment	353,995	\$0.00067	\$239	353,995	\$0.00042	\$149	(\$89)	(\$0.00025)	-37.5%
22	Post Sempra Wide	353,995	\$0.03396	\$12,023	353,995	\$0.03605	\$12,760	\$737	\$0.00208	6.1%
23	Transmission Level Service (2)	2,472,969	\$0.02206	\$54,551	2,472,969	\$0.02386	\$59,015	\$4,464	\$0.00181	8.2%
24	Total Electric Generation	2,826,964	\$0.02355	\$66,574	2,826,964	\$0.02539	\$71,774	\$5,201	\$0.00184	7.8%
25										
26	TOTAL RETAIL NONCORE	4,267,127	\$0.03368	\$143,698	4,267,127	\$0.03591	\$153,223	\$9,525	\$0.00223	6.6%
27										
28	WHOLESALE & INTERNATIONAL									
29	Wholesale Long Beach (2)	117,093	\$0.02206	\$2,583	117,093	\$0.02386	\$2,794	\$211	\$0.00181	8.2%
30	SDGE Wholesale	1,230,285	\$0.00574	\$7,063	1,230,285	\$0.00752	\$9,247	\$2,184	\$0.00178	30.9%
31	Wholesale SWG (2)	81,737	\$0.02206	\$1,803	81,737	\$0.02386	\$1,951	\$148	\$0.00181	8.2%
32	Wholesale Vernon (2)	116,135	\$0.02206	\$2,562	116,135	\$0.02386	\$2,771	\$210	\$0.00181	8.2%
33	International (2)	53,990	\$0.02206	\$1,191	53,990	\$0.02386	\$1,288	\$97	\$0.00181	8.2%
34	Total Wholesale & International	1,599,240	\$0.00951	\$15,202	1,599,240	\$0.01129	\$18,052	\$2,850	\$0.00178	18.7%
35										
36	TOTAL NONCORE	5,866,366	\$0.02709	\$158,900	5,866,366	\$0.02920	\$171,275	\$12,375	\$0.00211	7.8%
37										
38	Unbundled Storage			\$25,615			\$25,615	\$0		
39										
40	Total (excluding FAR)	9,457,396	\$0.18577	\$1,756,875	9,457,396	\$0.18931	\$1,790,358	\$33,482	\$0.00354	1.9%
41										
42	Firm Access Rights FAR Amount (3)	2,866	\$0.04284	\$44,819	0	\$0.03802	\$39,773	(\$5,046)	(\$0.00482)	-11.3%
43	SYSTEM TOTALw/SLFAR,TLS,SW	9,457,396	\$0.19051	\$1,801,694	9,457,396	\$0.19351	\$1,830,131	\$28,437	\$0.00301	1.6%
44										
45	EOR Revenues	156,187	\$0.02822	\$4,408	156,187	\$0.03017	\$4,712	\$304	\$0.00195	6.9%
46	Total Throughput w/EOR Mth/yr	9,613,583			9,613,583					

1) These rates are for Natural Gas Transportation Service from "Citygate to Meter". The FAR rate is for service from Receipt Point to Citygate.

2) These proposed costs and rates for Transmission Level Service "TLS" customers represents the average transmission rate.

3) FAR charge is as a separate rate. Core will pay through procurement rate, noncore as a separate charge.

Whole Sale & International (excl SDGE)	368,955	\$0.02206	\$8,139	368,955	\$0.02386	\$8,805	\$666	\$0.00181	8.2%
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ATTACHMENT C
Supplemental Advice No. 4156-A

SOUTHERN CALIFORNIA GAS COMPANY
SOCALGAS PRESENT AND PROPOSED REGULATORY ACCOUNT BALANCES (M\$)

Account Name (1)	Authorized 02/01/10 Amortization			Proposed 01/01/11 Amortization			Proposed Change		
	Core (2)	Noncore (3)	Total System (4)	Core (5)	Noncore (6)	Total System (7)	Core (8)	Noncore (9)	Total System (10)
REGULATORY ACCOUNTS									
1. Affiliate Transaction Tracking Account (AFTA)	0	0	0	(151)	(15)	(166)	(151)	(15)	(166)
2. Blythe Operational Flow Requirement Memorandum Acct (BOFRM)	4,131	6,744	10,875	0	0	0	(4,131)	(6,744)	(10,875)
3. Core Fixed Cost Account (CFCA)	(21,707)	0	(21,707)	18,597	0	18,597	40,304	0	40,304
4. Company-Use Fuel for Load Balancing Account (CUFLBA)	0	0	0	(49)	(82)	(132)	(49)	(82)	(132)
5. Economic Practicality Shortfall Memo Account (EPSMA)	0	126	126	81	132	213	81	6	87
6. Enhanced Oil Recovery Account (EORA)	6,414	658	7,072	2,123	216	2,339	(4,292)	(441)	(4,733)
7. FERC Settlement Proceeds Memo Account (FSPMA)	(21)	0	(21)	(813)	0	(813)	(791)	0	(791)
8. Firm Access & Storage Rights Memorandum Acct (FASRMA)	(1,253)	(2,045)	(3,298)	1,129	1,844	2,973	2,382	3,889	6,271
9. Hazardous Substance Cost Recovery Account (HSCRA)	219	358	577	2,279	3,720	5,998	2,060	3,362	5,422
10. Integrated Transmission Balancing Account (ITBA) Margin	1,678	2,012	3,690	2,559	3,067	5,626	880	1,055	1,936
11. Integrated Transmission Balancing Account (ITBA) Non-Margin	0	0	0	(1,792)	(2,148)	(3,941)	(1,792)	(2,148)	(3,941)
12. Intervenor Award Memorandum Account (IAMA)	284	463	747	119	194	313	(165)	(269)	(434)
13. Montebello True-Up Tracking Account (MTTA)	0	(2,493)	(2,493)	459	197	656	459	2,690	3,149
14. Noncore Fixed Cost Account (NFCA) Margin	0	(5,626)	(5,626)	0	6,737	6,737	0	12,363	12,363
15. Noncore Fixed Cost Account (NFCA) Non-Margin	0	0	0	0	2,038	2,038	0	2,038	2,038
16. Noncore Storage Balancing Account (NSBA)	(14,444)	(23,581)	(38,025)	(14,317)	(23,374)	(37,691)	127	207	335
17. On-Bill Financing Balancing Account (OBFBA) ⁽²⁾	1,390	136	1,526	927	90	1,017	(463)	(45)	(509)
18. Pension Balancing Account (PBA)	56,643	5,530	62,173	59,824	5,840	65,664	3,181	311	3,491
19. Post-Retire Benefits Other than Pensions Balancing Acct (PBOPB/	(7,690)	(751)	(8,441)	(9,581)	(935)	(10,516)	(1,890)	(185)	(2,075)
20. RD&D Expense Account (RDDEA)	(281)	(27)	(308)	(1,859)	(181)	(2,040)	(1,578)	(154)	(1,732)
21. Research Royalty Memorandum Account (RRMA)	0	0	0	(1,293)	(126)	(1,419)	(1,293)	(126)	(1,419)
22. Rewards & Penalties Balancing Account (RPBA)	6,953	679	7,631	(111)	(11)	(122)	(7,064)	(690)	(7,753)
23. Self-Generation Program Memorandum Acct (SGPMA) ⁽²⁾	3,090	5,045	8,135	3,090	5,045	8,135	0	0	0
24. Total Regulatory Accounts	35,406	(12,774)	22,632	61,220	2,247	63,467	25,814	15,021	40,835

Notes:

1. Balances shown include franchise fees and uncollectibles expenses.
2. Proposed amortization represents the authorized revenue requirement for 2011.

**ATTACHMENT D
Advice No. 4156-A**

**SOUTHERN CALIFORNIA GAS COMPANY
GAS PRICE FORECAST - 2011**

Trading Days	Average of Implied Market Trade Date	Contract Year-Month	\$/MMBtu												Total
			2011-01	2011-02	2011-03	2011-04	2011-05	2011-06	2011-07	2011-08	2011-09	2011-10	2011-11	2011-12	
1	8/18/2010 0:00		4.44	4.42	4.34	4.34	4.36	4.41	4.47	4.52	4.54	4.62	4.86	5.13	4.54
2	8/19/2010 0:00		4.37	4.35	4.28	4.26	4.29	4.34	4.39	4.44	4.47	4.55	4.80	5.08	4.47
3	8/20/2010 0:00		4.37	4.36	4.28	4.26	4.28	4.33	4.40	4.45	4.47	4.55	4.78	5.05	4.47
4	8/23/2010 0:00		4.36	4.35	4.28	4.25	4.27	4.33	4.39	4.45	4.47	4.55	4.75	5.03	4.46
5	8/24/2010 0:00		4.34	4.33	4.26	4.21	4.24	4.29	4.36	4.41	4.44	4.52	4.73	5.00	4.43
6	8/25/2010 0:00		4.31	4.30	4.24	4.17	4.20	4.26	4.33	4.38	4.41	4.49	4.70	4.99	4.40
7	8/26/2010 0:00		4.33	4.32	4.26	4.19	4.21	4.27	4.34	4.40	4.42	4.51	4.73	5.03	4.42
8	8/27/2010 0:00		4.27	4.25	4.19	4.12	4.15	4.21	4.29	4.34	4.36	4.45	4.69	5.00	4.36
9	8/30/2010 0:00		4.34	4.33	4.27	4.21	4.24	4.30	4.37	4.42	4.44	4.53	4.78	5.08	4.44
10	8/31/2010 0:00		4.39	4.40	4.35	4.29	4.31	4.36	4.44	4.49	4.51	4.59	4.83	5.13	4.51
11	9/1/2010 0:00		4.41	4.41	4.36	4.30	4.33	4.38	4.45	4.50	4.52	4.61	4.81	5.11	4.52
12	9/2/2010 0:00		4.37	4.38	4.32	4.27	4.30	4.35	4.42	4.47	4.50	4.58	4.78	5.08	4.49
13	9/3/2010 0:00		4.43	4.44	4.40	4.33	4.36	4.41	4.47	4.52	4.54	4.63	4.83	5.12	4.54
14	9/7/2010 0:00		4.34	4.34	4.31	4.26	4.29	4.34	4.41	4.47	4.49	4.57	4.79	5.09	4.48
15	9/8/2010 0:00		4.33	4.34	4.31	4.27	4.30	4.36	4.43	4.48	4.51	4.59	4.81	5.11	4.49
16	9/9/2010 0:00		4.37	4.38	4.34	4.30	4.33	4.38	4.46	4.51	4.54	4.62	4.84	5.16	4.52
17	9/10/2010 0:00		4.49	4.49	4.47	4.39	4.41	4.46	4.53	4.59	4.61	4.70	4.90	5.22	4.60
18	9/13/2010 0:00		4.54	4.55	4.52	4.41	4.44	4.49	4.56	4.61	4.64	4.73	4.93	5.25	4.64
19	9/14/2010 0:00		4.49	4.49	4.46	4.37	4.39	4.45	4.52	4.57	4.60	4.68	4.89	5.21	4.59
20	9/15/2010 0:00		4.46	4.47	4.45	4.34	4.37	4.43	4.50	4.55	4.58	4.66	4.87	5.19	4.57
21	9/16/2010 0:00		4.46	4.47	4.43	4.33	4.35	4.40	4.46	4.51	4.54	4.62	4.81	5.11	4.54
22	9/17/2010 0:00		4.45	4.46	4.41	4.30	4.32	4.37	4.43	4.48	4.50	4.58	4.76	5.05	4.51
Grand Total			4.39	4.39	4.34	4.28	4.31	4.36	4.43	4.48	4.50	4.59	4.80	5.10	\$ 4.50

**ATTACHMENT E
Advice No. 4156-A**

**SOUTHERN CALIFORNIA GAS COMPANY
PENSION BALANCING ACCOUNT (PBA)
Year 2010**

(Over) / Under Collection M\$

Line		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		actl	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst	
1	Beginning Balance	60,248	54,684	49,123	45,247	56,509	51,388	46,175	56,991	51,718	46,416	56,677	51,471	60,248
1a	Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
1b	Adjusted Beginning Balance	60,248	54,684	49,123	45,247	56,509	51,388	46,175	56,991	51,718	46,416	56,677	51,471	60,248
2	Recorded Cost	(138)	(138)	1,528	16,633	239	171	16,225	138	138	15,647	167	18,502	69,113
3	Authorized Cost	341	336	317	286	277	303	329	330	357	308	295	345	3,825
4	Net position (2-3):	(478)	(474)	1,211	16,347	(38)	(132)	15,896	(192)	(220)	15,339	(128)	18,157	65,288
5	Amortization	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(5,093)	(61,119)
6	Current Month Adjustment (4+5):	(5,572)	(5,567)	(3,882)	11,254	(5,132)	(5,225)	10,803	(5,285)	(5,313)	10,246	(5,221)	13,064	4,169
7	Current Month Interest**:	8	6	6	9	10	11	14	12	11	15	15	16	134
8	Total Current Month Activity (6+7):	(5,564)	(5,562)	(3,875)	11,262	(5,121)	(5,214)	10,817	(5,273)	(5,302)	10,260	(5,206)	13,080	4,303
9	Ending Balance (1b+8):	54,684	49,123	45,247	56,509	51,388	46,175	56,991	51,718	46,416	56,677	51,471	64,551	64,551

** Interest applied to average monthly balance as follows: (((Beg. Bal.+(Beg. Bal.+Current Month Adjustment))/2)*(Int.Rate/12)

Interest Assumption:	0.16%	0.13%	0.15%	0.20%	0.23%	0.28%	0.32%	0.27%	0.28%	0.34%	0.34%	0.34%
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Supporting Calculation - 2010 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	0	69,405
Lees: Amount capitalized		(12,574)
Less: Billings to SDG&E/Unregulated Affiliates	(409)	(1,845)
Plus: Billings from SDG&E	4,234	8,589
Accounting Adjustments 1/		4,282
Depreciation/Return 2/		1,254
Net Costs	<u>\$3,825</u>	<u>\$69,111</u>

1/ Adjustments to true-up depreciation and return differentials.

2/ Reflects the depreciation and return differential associated with authorized/actual capitalization.

**ATTACHMENT F
Advice No. 4156-A**

**SOUTHERN CALIFORNIA GAS COMPANY
POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOBPA)
Year 2010**

(Over) / Under Collection M\$

Line	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
	actl	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst		
1	Beginning Balance	(23,105)	(24,593)	(26,103)	(19,763)	(21,239)	(22,675)	(16,533)	(18,011)	(19,486)	(14,831)	(16,350)	(17,872)	(23,105)
1a	Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
1b	Adjusted Beginning Balance	(23,105)	(24,593)	(26,103)	(19,763)	(21,239)	(22,675)	(16,533)	(18,011)	(19,486)	(14,831)	(16,350)	(17,872)	(23,105)
2	Recorded Cost	6	2	7,831	10	50	7,632	17	19	6,153	(28)	(33)	9,030	30,688
3	Authorized Cost	2,183	2,200	2,179	2,174	2,173	2,177	2,181	2,181	2,186	2,178	2,176	2,184	26,173
4	Net position (2-3):	(2,177)	(2,199)	5,652	(2,164)	(2,123)	5,455	(2,165)	(2,162)	3,967	(2,206)	(2,208)	6,846	4,516
5	Amortization	692	692	692	692	692	692	692	692	692	692	692	692	8,298
6	Current Month Adjustment (4+5):	(1,485)	(1,507)	6,343	(1,473)	(1,432)	6,146	(1,473)	(1,470)	4,659	(1,514)	(1,517)	7,538	12,814
7	Current Month Interest**:	(3)	(3)	(3)	(3)	(4)	(5)	(5)	(4)	(4)	(4)	(5)	(4)	(47)
8	Total Current Month Activity (6+7):	(1,489)	(1,510)	6,340	(1,476)	(1,436)	6,142	(1,478)	(1,475)	4,655	(1,519)	(1,522)	7,534	12,767
9	Ending Balance (1b+8):	(24,593)	(26,103)	(19,763)	(21,239)	(22,675)	(16,533)	(18,011)	(19,486)	(14,831)	(16,350)	(17,872)	(10,338)	(10,338)

** Interest applied to average monthly balance as follows: $((\text{Beg. Bal.} + (\text{Beg. Bal.} + \text{Current Month Adjustment})) / 2) * (\text{Int. Rate} / 12)$

Interest Assumption:	0.97%	0.31%	0.48%	0.37%	0.28%	0.23%	0.26%	0.28%	0.29%	0.36%	0.36%	0.36%
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Supporting Calculation - 2010 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	31,400	32,668
Lees: Amount capitalized	(5,401)	(5,936)
Less: Billings to SDG&E/Unregulated Affiliates	(529)	(877)
Plus: Billings from SDG&E	703	2,311
Accounting Adjustments 1/		2,755
Depreciation/Return 2/		(233)
Net Costs	<u>\$26,173</u>	<u>\$30,688</u>

1/ Adjustments to true-up depreciation and return differentials.

2/ Reflects the depreciation and return differential associated with authorized/actual capitalization.

ATTACHMENT G
Advice No. 4156-A

**Pension Plan for Employees of
Southern California Gas Company**
Scenario Assuming 7% Asset Return in 2010, 7% Thereafter

Development of 2010 Minimum Required Contribution

1. 2010 Funding target liability	\$1,425,857,857	
[Net Effective Interest Rate]	6.55%	
2. 2010 Plan Assets	\$1,384,838,010	
3. 2010 Plan Normal Cost		\$51,834,226
[includes estimated plan expenses of \$6,500,000]		
5. 2009 funding shortfall to be amortized in 2009-2015	\$91,379,803	
6. 2009 Amortization factor	0.16839	
[based on amortization of shortfall over 7 years, assuming a 5.32% rate for the first 5 years and 6.45% rate for the final 2 years]		
7. Amortization of 2009 shortfall in 2010		\$15,387,393
8. 2010 Minimum required contribution		\$67,221,619
[(3) + (7) , amount as of 1/1/2010]		

Timing of 2010 Minimum Required Contribution

	Funding
First quarterly contribution due on April 1, 2010	\$17,928,114
Second quarterly contribution due on July 1, 2010	\$17,928,114
Third quarterly contribution due on October 1, 2010	\$17,928,114
Final 2010 contribution due on December 31, 2010	\$15,621,027
Sum of payments made for the 2010 Plan Year	\$69,405,369
1/1/2010 Present value of 2010 Plan Year contributions	\$67,221,619

ATTACHMENT H
Advice No. 4156-A

Southern California Gas Company
Postretirement Welfare Plans

Development of 2010 Contribution

1. 2010 APBO	\$775,167,392	
2. Discount rate	5.90%	
3. 2010 Fair Value of Assets	\$561,682,597	
4. 2010 Plan Service Cost		\$17,698,351
5. Interest cost		45,774,358
6. Expected return on assets [based on expected return of 7% on assets]		(39,715,390)
7. Transition obligation amortization		0
8. Prior service cost amortization		1,373,317
9. Unrecognized (gain)/loss amortization		7,537,048
10. Net periodic benefit cost		\$32,667,684

Timing of Estimated 2010 Contribution

	Funding
Contributions through December 31 made in quarterly installments	\$32,667,684