

PUBLIC UTILITIES COMMISSION

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December 22, 2011

**Advice Letter 4287**

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

**Subject: Annual Regulatory Account Balance Update for Rates  
Effective January 1, 2012**

Dear Ms. Prince:

Advice Letter 4287 is effective January 1, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director  
Energy Division



**Rasha Prince**  
Director  
Regulatory Affairs

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October 17, 2011

Advice No. 4287  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective  
January 1, 2012**

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, 2012.

**Purpose**

This filing, made each year on or about October 15<sup>th</sup>, complies with the longstanding practice of updating SoCalGas' revenue requirement for projected year-end regulatory account balances as established in Ordering Paragraph 2 of Decision (D.) 94-12-052. This filing revises SoCalGas' rates to incorporate the projected 2011 year-end regulatory account balances in transportation rates effective January 1, 2012. In compliance with D.11-04-032, this filing also revises the Backbone Transportation Service (formerly known as the Firm Access Rights) rate effective January 1, 2012.

In addition, in compliance with SoCalGas' 2009 Biennial Cost Allocation Proceeding (BCAP) D.09-11-006 on Phase II issues, this filing revises SoCalGas' 2012 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. Also, pursuant to D.10-04-034, SoCalGas provides details on the capital costs incurred to increase storage capacity at its Honor Rancho natural gas storage facility.

**Background**

The revenue requirement related to the regulatory account balances are amortized in rates over 12 months beginning each January 1<sup>st</sup>. It should be noted that the revenue requirement herein does not include other revenue requirement adjustments<sup>1</sup> expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2012. 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, 2012 effective date of such rates.

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<sup>1</sup> Energy Efficiency incentives earned for 2009 program year.

## **Customer Rate Impact – Regulatory Account Balances**

### Total

The SoCalGas transportation revenue requirement will increase by a net \$4.6 million. The core and noncore customer revenue requirements will decrease by \$4.6 million and increase by \$9.2 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 2012 rates. Attachments G and H show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2011.<sup>2</sup>

### Core Customers

A \$4.6 million decrease in the core transportation revenue requirement reflects the amortization of the projected year-end 2011 regulatory account balances. The decrease is primarily due to an overcollected balance in the Core Fixed Cost Account (CFCA) partially offset by an increase to an undercollected balance for the PBOPBA, an increase in the PBA undercollected balance, and a decrease in the overcollected balance for the Noncore Storage Balancing Account (NSBA) partially offset by as described below.

CFCA – Pursuant to AL 4190, SoCalGas was authorized to amortize in 2011 rates a CFCA undercollection of \$16.3 million. The projected CFCA balance for amortization in 2012 rates is \$32.4 million overcollected, representing a revenue requirement decrease of \$48.7 million.

PBOPBA – Pursuant to AL 4156-A, SoCalGas was authorized to amortize in 2011 rates a PBOPBA overcollection of \$10.5 million. The projected PBOPBA balance for amortization in 2012 rates is \$17.4 million undercollected, representing a revenue requirement increase of \$27.9 million. The increase is primarily due to an increase in the annual funding for the PBOP trust for 2011. The core revenue requirement allocation is \$25.9 million.

PBA – Pursuant to Advice No. (AL) 4156-A, SoCalGas was authorized to amortize in 2011 rates a PBA undercollection of \$65.7 million. The projected PBA balance for amortization in 2012 rates is \$75.7 million undercollected, representing a revenue requirement increase of \$10.0 million. The increase is primarily due to an increase in the annual funding for the pension trust for 2011. The core revenue requirement allocation is \$9.3 million.

NSBA - Pursuant to AL 4156-A, SoCalGas was authorized to amortize in 2011 rates a NSBA overcollection of \$37.7 million. The projected NSBA balance for amortization in 2012 rates is \$21.1 million overcollected, representing a revenue requirement increase of \$16.6 million. The increase is primarily due to lower anticipated revenues

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<sup>2</sup> Pursuant to R. van der Leeden's declaration as referenced on page 5 of D.09-09-011.

for the unbundled storage program for 2011. The core revenue requirement allocation is \$6.3 million

The major components of the core revenue requirement increase are as follows:<sup>3</sup>

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	(48.7)
PBOPBA	25.9
PBA	9.3
NSBA	6.3
Other Regulatory Accounts - net	2.6
<b>Total Core Revenue Requirement</b>	<b>(4.6)</b>

#### Noncore Customers

A \$9.2 million increase in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2011 regulatory account balances. The increase is primarily due to a decrease in the overcollected balance in the NSBA and a change in the PBOPBA balance as described below.

NSBA – As discussed above, SoCalGas projects a revenue requirement increase of \$16.6 million. The noncore revenue requirement allocation of this increase is \$10.3 million.

PBOPBA – As discussed above, SoCalGas projects a revenue requirement increase of \$27.9 million. The noncore revenue requirement allocation of this increase is \$2.0 million.

The major components of the noncore revenue requirement decrease are as follows:<sup>3</sup>

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
NSBA	10.3
PBOPBA	2.0
Other Regulatory Accounts - net	(3.1)
<b>Total Noncore Revenue Requirement</b>	<b>9.2</b>

<sup>3</sup> Amounts shown include franchise fees and uncollectibles.

Revision to the BTS Rate

On April 14, 2011, the Commission issued D.11-04-032 adopting operational modifications to the Firm Access Rights (FAR) Update Proceeding to reduce scheduling uncertainty and improve operations of the FAR system, including renaming the FAR service tariff from the current G-RPA (Receipt Point Access) to G-BTS (Backbone Transportation Service) and renaming the Firm Access Rights Balancing Account to the Backbone Transmission Balancing Account (BTBA).

Pursuant to AL 4269, SoCalGas was authorized to amortize in rates effective October 1, 2011 a BTBA overcollection of \$10.9 million. As of December 31, 2011, the BTBA is projected to have an overcollected balance of \$9.9 million, representing a BTS revenue requirement increase of \$1.0 million. The calculation of the proposed BTS rate for 2012 is detailed below:

<u>Revision to BTS Rate</u>	<u>Present</u>	<u>Proposed</u>
Unbundled BTS Revenues w/FFU (\$000's)	\$135,000	\$135,000
BTBA w/o FFU (\$000's)	(\$10,861)	(\$9,890)
FFU Rate	1.0173	1.0173
BTBA w/ FFU (\$000's)	(\$11,048)	(\$10,061)
BTS Revenue w/FFU (\$000's)	\$123,952	\$124,939
BTS Demand Dth/Day	3,100,000	3,100,000
BTS rate w/FFU \$/dth day	<b>\$0.10955</b>	<b>\$0.11042</b>

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.

Pursuant to D.11-04-032, effective October 1, 2011 SoCalGas no longer recovers transmission CU fuel costs in transportation rates, but instead has established an in-kind fuel factor to recover volumes used for transmission CU fuel. The in-kind fuel factor requires customers to provide an additional 0.22% of the customer's total volume of natural gas to be delivered at the receipt point. The in-kind fuel factor percentage will be updated on a quarterly basis. As a result, the table below excludes transmission CU fuel data as it is no longer required, but includes Other CU fuel costs that remain in transportation rates that are not recovered by the in-kind fuel factor.

As shown in Attachment D, SoCalGas forecasts the average gas price of \$4.53/MMBtu for 2012, an increase of \$0.03/MMBtu from the \$4.50/MMBtu authorized for rates effective January 1, 2011. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$42.4 million, an increase of \$0.3 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>Increase</u>
<u>UnAccounted For Gas (UAF):</u>			
System Volumes Mth/yr	9,613,583	9,613,583	
% UAF (as % of end use)	0.892%	0.892%	
UAF Volumes Mth/yr	85,753	85,753	
Gas Price \$/dth	\$4.50	\$4.53	
<b>UAF (M\$)</b>	<b>\$38,574</b>	<b>\$38,832</b>	<b>\$258</b>

Company Use Gas: Storage Load Balancing

Volumes Mth/yr	3,647	3,647	
Gas Price \$/dth	\$4.50	\$4.53	
<b>Company Use Gas: Storage Load Balancing (M\$)</b>	<b>\$1,640</b>	<b>\$1,651</b>	<b>\$11</b>

Company Use Other:

Total 2005 & 2006 (Mth)	8,453	8,453	
Annual Average Volumes (Mth/year)	4,227	4,227	
Gas Price \$/th	\$4.50	\$4.53	
<b>Co Use Other (M\$)</b>	<b>\$1,901</b>	<b>\$1,914</b>	<b>\$13</b>
Total CU Fuel and UAF Gas costs	<b>\$42,115</b>	<b>\$42,397</b>	<b>\$282</b>

**Honor Rancho Storage Expansion Project**

Pursuant to D.10-04-034, SoCalGas was authorized to increase the storage capacity at its Honor Rancho natural gas storage facility and establish the Honor Rancho Storage Memorandum Account (HRSMA) to record the revenue requirement for actual capital costs, excluding the cost of cushion gas, up to a maximum of \$37.4 million for this storage expansion.<sup>4</sup>

The decision's Conclusion Of Law (COL) 19 indicates:

*"The annual advice letter seeking rate recovery of amounts in the HRSMA should contain detailed documentation supporting the reasonableness of the actual costs of the Expansion Project, including the price paid for cushion gas and the quantity purchased, and copies of the advice letter should be sent to all parties to this proceeding."*

In compliance with COL 19, SoCalGas submits the following details on actual capital costs incurred for this Expansion Project through August 2011:

<sup>4</sup> On October 7, 2011, SoCalGas filed AL 4285 to establish the Honor Rancho Cost Recovery Memorandum Account (HRCRMA) to record the incremental costs associated with the Honor Rancho Storage Expansion Project that are in excess of the \$37.4 million cap.

<b>Honor Rancho Expansion Project Cost Breakdown as of August 2011</b>					
(amounts shown in M\$)					
FERC Account	Asset Account #352.25 Wells	Asset Account #353.25 Lines	Asset Account #356.25 Prf Eq & Wire	Asset Account #357.25 Other Equip	Total
Company Labor	151	185	542	137	\$1,015
Contract Costs	65	468	1,490		\$2,023
Materials	5,873	294	1,527	353	\$8,047
Other Direct Charges	18,013	165	1,346	684	\$20,208
<b>Total Direct Costs</b>	<b>\$24,102</b>	<b>\$1,112</b>	<b>\$4,905</b>	<b>\$1,174</b>	<b>\$31,293</b>
Labor Indirects	1,010	241	772	169	\$2,192
Material Indirects	309	14	72	28	\$423
Other Indirects	433	41	147	23	\$644
AFUDC	409	51	117	83	\$660
<b>Total Indirect Costs</b>	<b>\$2,161</b>	<b>\$347</b>	<b>\$1,108</b>	<b>\$303</b>	<b>\$3,919</b>
<b>Total Costs</b>	<b>\$26,263</b>	<b>\$1,459</b>	<b>\$6,013</b>	<b>\$1,477</b>	<b>\$35,212</b>

The BCAP Expansion Project includes drilling, completion and connection of new wells, modification of the liquid processing system, and installation of new piping, pumps, controls, and electrical equipment. Liquid produced over the next few years will create space in the underground reservoir and thereby increase the working storage inventory capacity.

#### New Wells (FERC Asset Account 352.25)

SoCalGas has drilled, completed and placed into service one new liquid production well and two brine injection wells. The cost of the one production well was approximately \$15.6 million and the cost of the two injection wells was approximately \$10.6 million totaling to approximately \$26.2 million for new well costs.

#### Surface Equipment for Liquid Production and Processing (FERC Asset Accounts 356.25 and 357.25)

SoCalGas made several modifications and improvements to its existing liquid processing system to accommodate the increased fluid production. These process improvements include: internal modifications to four existing vessels and three tanks; the installation of several new pumps, new piping, process control and measurement equipment; and an upgrade to the existing electrical service including a new connection to the Southern California Edison power grid. The cost of these plant upgrades placed in service was approximately \$7.5 million.

#### Surface Pipeline Laterals to Connect Wells to Plant (FERC Asset Account 353.25)

Several pipelines and well laterals were installed and placed in service to connect the new wells to the plant's processing system, and new electrical systems were installed to operate the new production wells. The cost of the field piping, well laterals, and well electrical equipment was approximately \$1.5 million.

#### Cushion Gas (FERC Asset Account 117)

The expansion of the gas gap in the reservoir to create 5.0 Bcf of additional working inventory will require an additional 1.5 Bcf of cushion gas. The purchase of the first 0.3 Bcf of cushion gas is planned in October 2011, so the revenue requirement for the purchase of this cushion gas is excluded from the forecasted HRSMA balance in this filing.

**Protests**

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 of this Advice Letter, which is November 6, 2011. 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](mailto:mas@cpuc.ca.gov)) and to Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto:jnj@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](mailto: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 G 96-B. This filing is consistent with D.94-12-052 and therefore SoCalGas respectfully requests that this filing be approved November 16, 2010, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2012.

**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, A.08-02-001, 2008 BCAP, and A.09-07-014, Honor Rancho Storage Expansion Project.

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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) #: 4287

Subject of AL: Annual Regulatory Account Balance Update for Rates Effective

Jan. 1, 2012

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.10-04-034, D.11-04-032

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: 11/16/11 AL: 1/1/12 Rates

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 0.3%

Estimated system average rate effect (%): 0.3%

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 proposed<sup>1</sup>: 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**

**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. 4287**

**(See Attached Service Lists)**

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**ATTACHMENT B  
Advice No. 4287**

**TABLE 1  
Natural Gas Transportation Rate Revenues  
Southern California Gas Company  
January 2012E Rates**

	Present Rates			Proposed Rates			Changes		
	Oct-1-11	Proposed	Oct-1-11	Jan-1-12	Proposed	Jan-1-12	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 <b>CORE</b>									
2 Residential	2,483,989	\$0.52526	\$1,304,738	2,483,989	\$0.52530	\$1,304,831	\$93	\$0.00004	0.0%
3 Commercial & Industrial	970,519	\$0.30528	\$296,278	970,519	\$0.30180	\$292,903	(\$3,375)	(\$0.00348)	-1.1%
4									
5 NGV - Pre SempraWide	117,231	\$0.08210	\$9,624	117,231	\$0.07276	\$8,530	(\$1,094)	(\$0.00934)	-11.4%
6 SempraWide Adjustment	117,231	(\$0.00217)	(\$254)	117,231	(\$0.00086)	(\$101)	\$153	\$0.00130	-60.1%
7 NGV - Post SempraWide	117,231	\$0.07993	\$9,370	117,231	\$0.07190	\$8,428	(\$942)	(\$0.00803)	-10.1%
8									
9 Gas A/C	1,210	\$0.07512	\$91	1,210	\$0.06565	\$79	(\$11)	(\$0.00947)	-12.6%
10 Gas Engine	18,080	\$0.09605	\$1,737	18,080	\$0.08698	\$1,573	(\$164)	(\$0.00907)	-9.4%
11 Total Core	3,591,030	\$0.44896	\$1,612,213	3,591,030	\$0.44773	\$1,607,815	(\$4,398)	(\$0.00122)	-0.3%
12									
13 <b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
14 Distribution Level Service	982,465	\$0.06529	\$64,144	982,465	\$0.06702	\$65,842	\$1,698	\$0.00173	2.6%
15 Transmission Level Service (2)	457,697	\$0.01589	\$7,273	457,697	\$0.01764	\$8,076	\$803	\$0.00175	11.0%
16 Total Noncore C&I	1,440,163	\$0.04959	\$71,417	1,440,163	\$0.05133	\$73,918	\$2,501	\$0.00174	3.5%
17									
18 <b>NONCORE ELECTRIC GENERATION</b>									
19 Distribution Level Service									
20 Pre Sempra Wide	353,995	\$0.02779	\$9,836	353,995	\$0.02885	\$10,212	\$376	\$0.00106	3.8%
21 Sempra Wide Adjustment	353,995	\$0.00191	\$677	353,995	\$0.00200	\$710	\$32	\$0.00009	4.8%
22 Distribution Level Post Sempra Wide	353,995	\$0.02970	\$10,513	353,995	\$0.03085	\$10,921	\$408	\$0.00115	3.9%
23 Transmission Level Service (2)	2,472,969	\$0.01589	\$39,296	2,472,969	\$0.01700	\$42,047	\$2,751	\$0.00111	7.0%
24 Total Electric Generation	2,826,964	\$0.01762	\$49,809	2,826,964	\$0.01874	\$52,968	\$3,159	\$0.00112	6.3%
25									
26 <b>TOTAL RETAIL NONCORE</b>	4,267,127	\$0.02841	\$121,226	4,267,127	\$0.02974	\$126,886	\$5,661	\$0.00133	4.7%
27									
28 <b>WHOLESALE &amp; INTERNATIONAL</b>									
29 Wholesale Long Beach (2)	117,093	\$0.01589	\$1,861	117,093	\$0.01700	\$1,991	\$130	\$0.00111	7.0%
30 SDGE Wholesale	1,230,285	\$0.00778	\$9,572	1,230,285	\$0.00930	\$11,443	\$1,871	\$0.00152	19.5%
31 Wholesale SWG (2)	81,737	\$0.01589	\$1,299	81,737	\$0.01700	\$1,390	\$91	\$0.00111	7.0%
32 Wholesale Vernon (2)	116,135	\$0.01589	\$1,845	116,135	\$0.01700	\$1,975	\$129	\$0.00111	7.0%
33 International (2)	53,990	\$0.01589	\$858	53,990	\$0.01700	\$918	\$60	\$0.00111	7.0%
34 Total Wholesale & International & SDGE	1,599,240	\$0.00965	\$15,434	1,599,240	\$0.01108	\$17,716	\$2,281	\$0.00143	14.8%
35									
36 <b>TOTAL NONCORE</b>	5,866,366	\$0.02330	\$136,660	5,866,366	\$0.02465	\$144,602	\$7,942	\$0.00135	5.8%
37									
38 Unbundled Storage			\$26,470			\$27,956	\$1,485		
39									
40 Total (excluding BTS)	9,457,396	\$0.18772	\$1,775,344	9,457,396	\$0.18825	\$1,780,373	\$5,029	\$0.00053	0.3%
41									
42 BTS Amount (3)	3,100	\$0.10955	\$123,952	3,100	\$0.11042	\$124,939	\$988	\$0.00087	0.8%
43 <b>SYSTEM TOTALw/SI,FAR, TLS, SW</b>	<b>9,457,396</b>	<b>\$0.20083</b>	<b>\$1,899,296</b>	<b>9,457,396</b>	<b>\$0.20146</b>	<b>\$1,905,312</b>	<b>\$6,017</b>	<b>\$0.00064</b>	<b>0.3%</b>
44									
45 EOR Revenues	156,187	\$0.02304	\$3,599	156,187	\$0.02417	\$3,776	\$177	\$0.00113	4.9%
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 BTS rate is for service from Receipt Point to Citygate.
- 2) These Transmission Level Service "TLS" amounts represent the average transmission rate, see Table 5 or detail list of TLS rates.
- 3) BTS charge is proposed as a separate rate. Core will pay through procurement rate, noncore as a separate charge.

Whole Sale & International (excl SDGE)	368,955	\$0.01589	\$5,863	368,955	\$0.01700	\$6,273	\$410	\$0.00111	7.0%
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**ATTACHMENT C  
Advice No. 4287**

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

Account Name (1)	Authorized 01/01/2011 Amortization			Proposed 01/01/2012 Amortization			Proposed Change		
	Core (2)	Noncore (3)	Total System (4)	Core (5)	Noncore (6)	Total System (7)	Core (8)	Noncore (9)	Total System (10)
<b>REGULATORY ACCOUNTS</b>									
1. Affiliate Transaction Tracking Account (AFTA)	(154)	(12)	(166)	0	0	0	154	12	166
2. Core Fixed Cost Account (CFCA)	16,303	0	16,303	(32,372)	0	(32,372)	(48,675)	0	(48,675)
3. Company-Use Fuel for Load Balancing Account (CUFLBA)	(49)	(82)	(132)	194	325	518	243	407	650
4. CSI Thermal Program Memorandum Account (CSITPMA)	0	0	0	1,914	925	2,839	1,914	925	2,839
5. Economic Practicality Shortfall Memo Account (EPSMA)	0	213	213	0	284	284	0	71	71
6. Enhanced Oil Recovery Account (EORA)	2,123	216	2,339	940	96	1,036	(1,183)	(121)	(1,303)
7. FERC Settlement Proceeds Memo Account (FSPMA)	(813)	0	(813)	1,350	0	1,350	2,163	0	2,163
8. Firm Access & Storage Rights Memorandum Acct (FASRMA)	1,129	1,844	2,973	840	1,372	2,212	(289)	(472)	(761)
9. Hazardous Substance Cost Recovery Account (HSCRA)	2,279	3,720	5,998	3,623	5,915	9,538	1,345	2,195	3,540
10. Honor Rancho Storage Memorandum Account (HRSMA)	0	0	0	2,157	1,885	4,042	2,157	1,885	4,042
11. Integrated Transmission Balancing Account (ITBA) Margin	2,559	3,067	5,626	1,225	1,468	2,692	(1,334)	(1,599)	(2,934)
12. Integrated Transmission Balancing Account (ITBA) Non-Margi	(1,792)	(2,148)	(3,941)	(1,337)	(1,603)	(2,941)	455	545	1,000
13. Intervenor Award Memorandum Account (IAMA)	119	194	313	88	143	231	(31)	(51)	(83)
14. Montebello True-Up Tracking Account (MTTA)	459	197	656	3,686	1,579	5,265	3,227	1,382	4,609
15. Noncore Fixed Cost Account (NFCA) Margin	0	5,488	5,488	0	3,127	3,127	0	(2,361)	(2,361)
16. Noncore Fixed Cost Account (NFCA) Non-Margin	0	2,038	2,038	0	(592)	(592)	0	(2,629)	(2,629)
17. Noncore Storage Balancing Account (NSBA)	(14,317)	(23,374)	(37,691)	(8,010)	(13,076)	(21,086)	6,307	10,297	16,605
18. On-Bill Financing Balancing Account (OBFBA) (2)	945	73	1,017	945	73	1,017	0	0	0
19. Pension Balancing Account (PBA)	60,976	4,688	65,664	70,280	5,403	75,683	9,304	715	10,019
20. Post-Retire Benefits Other than Pensions Balancing Acct (PBI	(9,765)	(751)	(10,516)	16,129	1,240	17,369	25,895	1,991	27,885
21. RD&D Expense Account (RDDEA)	(1,895)	(146)	(2,040)	0	0	0	1,895	146	2,040
22. Research Royalty Memorandum Account (RRMA)	(1,318)	(101)	(1,419)	(129)	(10)	(139)	1,188	91	1,279
23. Rewards & Penalties Balancing Account (RPBA)	9,222	709	9,931	2,138	164	2,302	(7,085)	(545)	(7,629)
24. Self-Generation Program Memorandum Acct (SGPMA) (2)	3,090	5,045	8,135	0	0	0	(3,090)	(5,045)	(8,135)
25. System Reliability Memorandum Account (SRMA)	0	0	0	842	1,375	2,217	842	1,375	2,217
<b>26. Total Regulatory Accounts</b>	<b>69,100</b>	<b>877</b>	<b>69,978</b>	<b>64,501</b>	<b>10,092</b>	<b>74,593</b>	<b>(4,599)</b>	<b>9,215</b>	<b>4,615</b>

Notes:

- Balances shown include franchise fees and uncollectibles expenses.
- Represents authorized revenue requirement for rate purposes.

**ATTACHMENT D  
Advice No. 4287**

**SOUTHERN CALIFORNIA GAS COMPANY  
GAS PRICE FORECAST - 2012**

Average of Implied Market Value	Contract Year-Month												\$/MMBtu
Trade Date	2012-01	2012-02	2012-03	2012-04	2012-05	2012-06	2012-07	2012-08	2012-09	2012-10	2012-11	2012-12	Total
7/26/2011 0:00	4.72	4.72	4.68	4.60	4.62	4.65	4.69	4.72	4.73	4.77	4.91	5.13	4.74
7/27/2011 0:00	4.71	4.71	4.67	4.59	4.61	4.64	4.68	4.71	4.72	4.76	4.90	5.12	4.73
7/28/2011 0:00	4.65	4.65	4.61	4.54	4.56	4.59	4.63	4.66	4.67	4.71	4.86	5.09	4.68
7/29/2011 0:00	4.56	4.57	4.53	4.47	4.49	4.52	4.56	4.59	4.60	4.64	4.80	5.03	4.61
8/1/2011 0:00	4.61	4.61	4.58	4.51	4.53	4.57	4.61	4.64	4.64	4.68	4.84	5.07	4.66
8/2/2011 0:00	4.58	4.58	4.55	4.49	4.51	4.54	4.59	4.62	4.62	4.66	4.82	5.06	4.63
8/3/2011 0:00	4.52	4.53	4.50	4.44	4.47	4.50	4.54	4.57	4.58	4.62	4.78	5.02	4.59
8/4/2011 0:00	4.40	4.40	4.38	4.33	4.36	4.39	4.44	4.46	4.47	4.51	4.67	4.92	4.48
8/5/2011 0:00	4.43	4.44	4.41	4.37	4.39	4.43	4.47	4.50	4.51	4.54	4.70	4.95	4.51
8/8/2011 0:00	4.44	4.44	4.41	4.37	4.40	4.43	4.47	4.50	4.50	4.54	4.70	4.95	4.51
8/9/2011 0:00	4.49	4.49	4.46	4.41	4.44	4.47	4.51	4.53	4.54	4.57	4.73	4.96	4.55
8/10/2011 0:00	4.50	4.50	4.47	4.42	4.44	4.47	4.51	4.54	4.54	4.57	4.73	4.95	4.55
8/11/2011 0:00	4.59	4.58	4.55	4.49	4.52	4.55	4.59	4.61	4.61	4.64	4.80	5.02	4.63
8/12/2011 0:00	4.53	4.53	4.50	4.45	4.48	4.51	4.55	4.57	4.58	4.61	4.76	4.99	4.59
8/15/2011 0:00	4.51	4.51	4.47	4.43	4.46	4.49	4.54	4.56	4.56	4.59	4.75	4.99	4.57
8/16/2011 0:00	4.43	4.43	4.40	4.37	4.40	4.44	4.48	4.51	4.51	4.54	4.71	4.96	4.51
8/17/2011 0:00	4.42	4.42	4.39	4.36	4.39	4.43	4.47	4.49	4.50	4.53	4.70	4.94	4.50
8/18/2011 0:00	4.38	4.38	4.35	4.32	4.35	4.39	4.43	4.46	4.46	4.49	4.67	4.92	4.47
8/19/2011 0:00	4.41	4.41	4.38	4.34	4.37	4.41	4.45	4.48	4.48	4.51	4.68	4.93	4.49
8/22/2011 0:00	4.33	4.33	4.30	4.26	4.29	4.33	4.37	4.40	4.40	4.43	4.60	4.86	4.41
8/23/2011 0:00	4.38	4.38	4.34	4.31	4.33	4.37	4.41	4.44	4.44	4.47	4.64	4.89	4.45
8/24/2011 0:00	4.31	4.31	4.27	4.24	4.27	4.31	4.35	4.37	4.38	4.41	4.57	4.82	4.38
8/25/2011 0:00	4.35	4.35	4.32	4.28	4.31	4.34	4.39	4.41	4.42	4.44	4.61	4.85	4.42
8/26/2011 0:00	4.39	4.39	4.35	4.32	4.34	4.38	4.42	4.45	4.46	4.48	4.65	4.90	4.46
8/29/2011 0:00	4.30	4.31	4.27	4.24	4.27	4.31	4.36	4.38	4.39	4.41	4.58	4.84	4.39
8/30/2011 0:00	4.36	4.36	4.32	4.30	4.33	4.37	4.41	4.44	4.44	4.47	4.64	4.89	4.44
8/31/2011 0:00	4.50	4.50	4.47	4.43	4.46	4.50	4.55	4.57	4.58	4.60	4.76	5.01	4.58
9/1/2011 0:00	4.50	4.50	4.47	4.44	4.47	4.51	4.56	4.58	4.59	4.61	4.78	5.03	4.59
9/2/2011 0:00	4.33	4.34	4.31	4.29	4.32	4.36	4.41	4.43	4.44	4.47	4.64	4.91	4.44
9/6/2011 0:00	4.38	4.39	4.36	4.34	4.37	4.41	4.46	4.49	4.49	4.52	4.69	4.96	4.49
9/7/2011 0:00	4.37	4.38	4.35	4.33	4.36	4.40	4.44	4.47	4.48	4.51	4.67	4.94	4.47
9/8/2011 0:00	4.38	4.39	4.37	4.34	4.37	4.41	4.45	4.48	4.49	4.52	4.68	4.94	4.48
9/9/2011 0:00	4.31	4.32	4.30	4.28	4.31	4.35	4.39	4.42	4.43	4.46	4.62	4.88	4.42
<b>Grand Total</b>	<b>4.46</b>	<b>4.46</b>	<b>4.43</b>	<b>4.38</b>	<b>4.41</b>	<b>4.45</b>	<b>4.49</b>	<b>4.52</b>	<b>4.52</b>	<b>4.55</b>	<b>4.72</b>	<b>4.96</b>	<b>\$4.53</b>

**ATTACHMENT E  
Advice No. 4287**

**SOUTHERN CALIFORNIA GAS COMPANY  
PENSION BALANCING ACCOUNT (PBA)  
Year 2011**

(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	64,678	59,217	53,760	48,321	58,166	52,791	42,372	51,949	46,626	41,275	60,441	55,212	64,678
1a	Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
1b	Adjusted Beginning Balance	64,678	59,217	53,760	48,321	58,166	52,791	42,372	51,949	46,626	41,275	60,441	55,212	64,678
2	Recorded Cost	247	247	247	15,500	273	(4,744)	15,279	380	380	24,845	437	24,902	77,993
3	Authorized Cost	341	336	317	286	277	303	329	330	357	308	295	345	3,825
4	Net position (2-3):	(94)	(89)	(70)	15,214	(5)	(5,047)	14,950	51	23	24,537	142	24,557	74,168
5	Amortization	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	64,551
6	Current Month Adjustment (4+5):	(5,473)	(5,469)	(5,449)	9,835	(5,384)	(10,426)	9,571	(5,329)	(5,356)	19,157	(5,238)	19,177	9,617
7	Current Month Interest**:	12	11	10	10	9	7	6	6	6	8	9	10	104
8	Total Current Month Activity (6+7):	(5,461)	(5,457)	(5,439)	9,845	(5,375)	(10,420)	9,577	(5,323)	(5,351)	19,165	(5,228)	19,188	9,721
9	Ending Balance (1b+8):	59,217	53,760	48,321	58,166	52,791	42,372	51,949	46,626	41,275	60,441	55,212	74,400	74,400

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

**Interest Assumption:** 0.23% 0.24% 0.23% 0.23% 0.20% 0.16% 0.15% 0.14% 0.16% 0.19% 0.19% 0.19%

**Supporting Calculation - 2011 Net Pension Revenue/Costs**

	Authorized Cost	Recorded Cost
Gross Revenue/costs	0	89,104
Lees: Amount capitalized		(15,059)
Less: Billings to SDG&E/Unregulated Affiliates	(409)	(2,495)
Plus: Billings from SDG&E	4,234	7,391
Accounting Adjustments 1/		(5,089)
Depreciation/Return 2/		4,141
Net Costs	<u>\$3,825</u>	<u>\$77,993</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. 4287**

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

**Year 2011**

(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	(9,848)	(11,181)	(12,510)	(2,570)	(3,798)	(6,703)	3,099	1,843	597	10,132	8,833	7,529	(9,848)
1a	Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
1b	Adjusted Beginning Balance	(9,848)	(11,181)	(12,510)	(2,570)	(3,798)	(6,703)	3,099	1,843	597	10,132	8,833	7,529	(9,848)
2	Recorded Cost	(10)	(5)	11,259	86	(1,593)	11,118	64	73	10,854	19	15	10,864	42,742
3	Authorized Cost	2,183	2,182	2,179	2,174	2,173	2,177	2,181	2,181	2,181	2,181	2,181	2,181	26,156
4	Net position (2-3):	(2,193)	(2,188)	9,080	(2,088)	(3,766)	8,940	(2,117)	(2,108)	8,673	(2,162)	(2,167)	8,683	16,586
5	Amortization	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(10,338)
6	Current Month Adjustment (4-5):	(1,332)	(1,326)	9,941	(1,227)	(2,904)	9,802	(1,256)	(1,246)	9,534	(1,301)	(1,305)	9,544	26,924
7	Current Month Interest**:	(2)	(2)	(1)	(1)	(1)	(0)	0	0	1	2	1	2	(1)
8	Total Current Month Activity (6+7):	(1,334)	(1,329)	9,940	(1,228)	(2,905)	9,802	(1,255)	(1,246)	9,535	(1,299)	(1,304)	9,546	26,923
9	Ending Balance (1b+8):	(11,181)	(12,510)	(2,570)	(3,798)	(6,703)	3,099	1,843	597	10,132	8,833	7,529	17,075	17,075

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

<b>Interest Assumption:</b>	0.23%	0.24%	0.23%	0.23%	0.20%	0.16%	0.15%	0.14%	0.16%	0.19%	0.19%	0.19%
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**Supporting Calculation - 2011 Net PBOP Revenue/Costs**

	Authorized Cost	Recorded Cost
Gross Revenue/costs	31,400	53,030
Less: Amount capitalized	(5,401)	(9,056)
Less: Billings to SDG&E/Unregulated Affiliates	(529)	(1,431)
Plus: Billings from SDG&E	686	1,831
Accounting Adjustments 1/		(1,617)
Depreciation/Return 2/		(15)
Net Costs	<u>\$26,156</u>	<u>\$42,742</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. 4287**

**Pension Plan for Employees of  
Southern California Gas Company**  
**Scenario Assuming 7% Asset Return in 2011, 7% Thereafter**

**Development of 2011 Minimum Required Contribution**

1. 2011 Funding target liability	\$1,506,248,819	
[ Net Effective Interest Rate ]	6.26%	
2. 2011 Plan Assets	\$1,334,513,940	
3. 2011 Plan Normal Cost		\$53,551,410
[includes estimated plan expenses of \$5,800,000]		
4. 2009 shortfall amortization charge (amortized through 2015)		15,387,393
5. 2010 shortfall amortization charge (amortized through 2016)		0
6. Funding shortfall [(1) - (2) ]	\$171,734,879	
(a) Less present value of 2009 shortfall amortization charge	(71,532,836)	
[based on amortization over 5 years at 3.78%]		
(b) Less present value of 2010 shortfall amortization charge	0	
[based on amortization over first 5 years at 3.78% and next year at 6.31%]		
(c) 2011 funding shortfall base [ ( 6 ) - ( 6(a) ) - ( 6(b) ) ]	\$100,202,043	
7. 2011 Amortization factor	0.16453	
[based on amortization of shortfall over 7 years, assuming a 3.78% rate for the first 5 years and 6.31% rate for the final 2 years]		
8. 2011 funding shortfall to be amortized in 2011-2017 [ ( 6(c) ) x (7) ]		16,486,193
<b>9. 2011 Minimum required contribution</b>		<b>\$85,424,996</b>
<b>[ (3) + (4) + (5) + (8) , amount as of 1/1/2011 ]</b>		

**Timing of 2011 Minimum Required Contribution**

	Funding
First quarterly contribution deposited on April 1, 2011	\$16,700,000
Second quarterly contribution deposited on July 1, 2011	\$16,700,000
Third quarterly contribution deposited on October 1, 2011	\$16,700,000
Final 2011 contribution estimated to be deposited on December 15, 2011	\$39,003,802
<b>Sum of payments made for the 2011 Plan Year</b>	<b>\$89,103,802</b>
<b>1/1/2011 Present value of 2011 Plan Year contributions</b>	<b>\$85,424,996</b>



**ATTACHMENT H**  
**Advice No. 4287**

**Southern California Gas Company**  
**Postretirement Welfare Plans**

**Development of 2011 Contribution**

1. 2011 APBO	\$907,393,230	
2. Discount rate	5.80%	
3. 2011 Fair Value of Assets	\$632,087,717	
4. 2011 Plan Service Cost		\$22,014,575
5. Interest cost		52,852,802
6. Expected return on assets [ based on expected return of 7% on assets ]		(40,075,186)
7. Transition obligation amortization		0
8. Prior service cost amortization		1,475,400
9. Unrecognized (gain)/loss amortization		16,762,836
<b>10. Net periodic benefit cost</b>		<b>\$53,030,427</b>

**Timing of Estimated 2011 Contribution**

	Funding
<b>Contributions through December 31 made in quarterly installments</b>	<b>\$53,030,427</b>