

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 3, 2013

**Advice Letter 4550-G**

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, 2014**

Dear Ms. Prince:

Advice Letter 4550-G is effective January 1, 2014.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division



**Rasha Prince**  
Director  
Regulatory Affairs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
Tel: 213.244.5141  
Fax: 213.244.4957  
*RPrince@semprautilities.com*

October 15, 2013

Advice No. 4550  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective  
January 1, 2014**

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, 2014.

**Purpose**

This filing, made each year on or before October 15<sup>th</sup>, complies with the longstanding practice of updating SoCalGas' revenue requirement for projected year-end regulatory account balances as authorized in Decision (D.) 09-11-006, SoCalGas' 2009 Biennial Cost Allocation Proceeding (BCAP). This filing revises SoCalGas' rates to incorporate the projected 2013 year-end regulatory account balances in transportation rates effective January 1, 2014. In compliance with D.11-04-032, this filing also revises the Backbone Transportation Service (BTS) rate effective January 1, 2014.

In addition, in compliance with D.09-11-006 on Phase II issues, this filing revises SoCalGas' 2014 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. SoCalGas also proposes to eliminate the Disconnect Memorandum Account (DMA) as the account is no longer required. Furthermore, in compliance with D.13-05-010, SoCalGas' Test-Year (TY) 2012 General Rate Case (GRC), SoCalGas provides details on the activity recorded in its Transmission Integrity Management Program Balancing Account (TIMPBA) and post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA).

**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, 2014. SoCalGas will file an advice letter consolidating all Commission-authorized changes in its

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<sup>1</sup> For example, energy efficiency incentive awards.

revenue requirement, and the related changes to its rates, at least three days prior to the January 1, 2014 effective date of such rates.

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

The SoCalGas transportation revenue requirement will increase by \$14.0 million. The core and noncore customer revenue requirements will increase by \$18.2 million and decrease by \$4.2 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 rate impact of the update in the regulatory account balances, the authorized CU Fuel and UAF Gas costs, the demand determinate for the BTS rate, and the 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 2014 rates. Attachments G and H show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2013.

### **Core Customers**

An \$18.2 million increase in the core transportation revenue requirement reflects the amortization of the projected year-end 2013 regulatory account balances. The increase is primarily due to a change from an overcollected to an undercollected balance in the Core Fixed Cost Account (CFCA), a change from an undercollected to overcollected balance in the PBA, and decreases in the undercollected balances in the Environmental Fee Memorandum Account (EFMA) and Rewards and Penalties Balancing Account (RPBA) as described below.

CFCA – Pursuant to Advice No. (AL) 4411, SoCalGas was authorized to amortize in 2013 rates a CFCA overcollection of \$58.6 million. The projected CFCA balance for amortization in 2014 rates is \$48.8 million undercollected, representing a revenue requirement increase of \$107.4 million.

PBA – Pursuant to AL 4411, SoCalGas was authorized to amortize in 2013 rates a PBA undercollection of \$38.6 million. The projected PBA balance for amortization in 2014 rates is \$32.8 million overcollected, representing a revenue requirement decrease of \$71.4 million. The decrease is primarily due to recording an adjustment to true-up to the pension funding authorized in SoCalGas' 2012 General Rate Case. The core revenue requirement allocation of this decrease is \$66.2 million.

EFMA – Pursuant to AL 4411, SoCalGas was authorized to amortize in 2013 rates an EFMA undercollection of \$17.9 million. The EFMA is projected to be fully amortized by year-end, so per AL 4506, SoCalGas will close the EFMA and transfer any residual balance to the New Environmental Regulation Balancing Account. The core revenue requirement allocation of this decrease is \$10.9 million.

RPBA – Pursuant to AL 4411, SoCalGas was authorized to amortize in 2013 rates a RPBA undercollection of \$5.6 million. The projected RPBA balance for amortization in 2014 rates is \$0.1 million overcollected, representing a revenue requirement decrease of \$5.7 million. The core revenue requirement allocation of this decrease is \$5.3 million.

The major components of the core revenue requirement increase are as follows:<sup>2</sup>

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	107.4
PBA	(66.2)
EFMA	(10.9)
RPBA	(5.3)
Other Regulatory Accounts - net	(6.8)
<b>Total Core Revenue Requirement</b>	<b>18.2</b>

#### Noncore Customers

A \$4.2 million decrease in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2013 regulatory account balances. The decrease is primarily due to a change from an undercollected to overcollected balance in the PBA, decreases in the undercollected balances in the EFMA and Hazardous Substance Cost Recovery Account (HSCRA), and a change from an overcollected to an undercollected balance in the Noncore Fixed Cost Account (NFCA) as described below.

PBA – As discussed above, SoCalGas projects a revenue requirement decrease of \$71.4 million. The noncore revenue requirement allocation of this decrease is \$5.2 million.

EFMA – As discussed above, SoCalGas projects a revenue requirement decrease of \$17.9 million. The noncore revenue requirement allocation of this decrease is \$7.0 million.

HSCRA – Pursuant to AL 4411, SoCalGas was authorized to amortize in 2013 rates a HSCRA undercollection of \$9.6 million. The HSCRA is projected to have a minimal balance at year-end due to a reduction of clean-up expenses for the current year compared to the prior year. The noncore allocation of this revenue requirement decrease is \$6.0 million.

NFCA – Pursuant to AL 4411, SoCalGas was authorized to amortize in 2013 rates a NFCA overcollection of \$5.7 million. The projected NFCA balance for amortization in 2014 rates is \$3.2 million undercollected, representing a revenue requirement increase of \$8.9 million.

The major components of the noncore revenue requirement decrease are as follows:<sup>2</sup>

<sup>2</sup> Amounts shown include franchise fees and uncollectibles.

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
PBA	(5.2)
EFMA	(7.0)
HSCRA	(6.0)
NFCA	8.9
Other Regulatory Accounts - net	5.1
<b>Total Noncore Revenue Requirement</b>	<b>(4.2)</b>

#### Disconnect Memorandum Account (DMA)

Pursuant to D.10-12-051, SoCalGas submitted AL 4198<sup>3</sup> to establish the DMA to record the residential uncollectible expenses that are in excess of the residential uncollectible expense, capped at \$600,000, associated with the period of August 1, 2009 through July 31, 2010. Pursuant to AL 4411, SoCalGas was authorized to amortize in 2013 rates a DMA undercollection of \$0.6 million. The DMA is projected to have a residual balance of less than \$1,000 by year-end, so SoCalGas proposes to eliminate the DMA and transfer the residual balance to the CFCA as the DMA is no longer needed.

#### Update to the BTS Rate

Pursuant to AL 4411, SoCalGas was authorized to amortize in 2013 rates a BTBA undercollection of \$14.6 million. As of December 31, 2013, the BTBA is projected to have an undercollected balance of \$16.9 million, representing a BTS revenue requirement increase of \$2.3 million. Additionally, SoCalGas also updated BTS Demand pursuant to D.11-04-032, in response to Item #3 of the Joint Rate Recommendation in Application 10-03-028 which requires SoCalGas to "adjust the SFV and MFV reservation charges using the actual firm contracted capacity and interruptible sales experienced during the preceding October 1 through September 30 period." The calculation of the proposed BTS rate for 2014 is detailed below:

#### Revision to BTS Rate

	<u>Present</u>	<u>Proposed</u>
Unbundled BTS Revenues w/FFU (\$000's)	\$135,000	\$135,000
BTBA w/o FFU (\$000's)	\$14,351	\$16,587
FFU Rate	1.0176	1.0176
BTBA w/ FFU (\$000's)	\$14,604	\$16,880
BTS Revenue w/FFU (\$000's)	<u>\$149,604</u>	<u>\$151,880</u>
BTS Demand Dth/Day	<u>2,977,946</u>	<u>2,923,646</u>
BTS rate w/FFU \$/dth day	<u><b>\$0.13764</b></u>	<u><b>\$0.14233</b></u>

<sup>3</sup> AL 4198 was approved April 5, 2011 and effective February 13, 2011.

### **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 Other 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 \$3.98/MMBtu for 2014, an increase of \$0.37/MMBtu from the \$3.61/MMBtu authorized for rates effective January 1, 2013. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$37.3 million, an increase of \$3.5 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	\$3.61	\$3.98	
UAF (M\$)	<b>\$30,959</b>	<b>\$34,130</b>	<b>\$3,171</b>
<u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	3,647	3,647	
Gas Price \$/dth	\$3.61	\$3.98	
Company Use Gas: Storage Load Balancing (M\$)	<b>\$1,317</b>	<b>\$1,451</b>	<b>\$135</b>
<u>Company Use Other:</u>			
Total 2005 & 2006 (Mth)	8,453	8,453	
Annual Average Volumes (Mth/year)	4,227	4,227	
Gas Price \$/dth	\$3.61	\$3.98	
Co Use Other (M\$)	<b>\$1,526</b>	<b>\$1,682</b>	<b>\$156</b>
Total CU Fuel and UAF Gas Costs (M\$)	<b>\$33,802</b>	<b>\$37,263</b>	<b>\$3,462</b>

### **Transmission Integrity Management Program Balancing Account (TIMPBA)**

In compliance with D.13-05-010, SoCalGas submitted AL 4507 to establish the TIMPBA to record the difference between the authorized and actual operating and maintenance (O&M) and capital-related costs associated with its Transmission Integrity Management Program (TIMP)<sup>4</sup>. Although the TIMPBA is a two-way balancing account, SoCalGas is required to submit a Tier 3 AL to seek recovery of any costs that exceed the authorized TIMP funding level. As explained in Findings of Fact (FOF) 202 of D.13-05-010:

<sup>4</sup> AL 4507 was approved on August 9, 2013 and effective July 21, 2013.

*“A two-way balancing account for SoCalGas to recover the costs of complying with TIMP is appropriate ... and any costs in excess of the authorized TIMP O&M costs and capital expenditures will be subject to recovery through a Tier 3 AL process.”*

FOF 204 further indicates:

*“Parties will have the opportunity to review the reasonableness of these TIMP-related expenses in SoCalGas’ balancing account when those expenses are reported in the Annual Regulatory Account Balance Update or in the Tier 3 AL filing.”*

SoCalGas anticipates filing a Tier 3 advice letter by year-end to seek recovery of TIMP costs above authorized funding levels. Details on the activity recorded in the TIMPBA for the period of January 1, 2012 through August 31, 2013, and associated discussion, will be provided in the Tier 3 advice letter filing and therefore, are not addressed in this advice letter.

### **Post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA)**

Similar to the discussion above for the TIMPBA, SoCalGas submitted AL 4507 to establish the Post-2011 DIMPBA to record the difference between the authorized and actual O&M costs and capital-related costs associated with its post-2011 Distribution Integrity Management Program (DIMP). Like the TIMPBA, the Post-2011 DIMPBA is a two-way balancing account and SoCalGas is required to submit a Tier 3 AL to seek recovery of any costs that exceed the authorized DIMP funding level. As explained in FOF 206 of D.13-05-010:

*“A two-way balancing account for SoCalGas to recover the costs of complying with DIMP is appropriate ... and any costs in excess of the authorized DIMP O&M costs and capital expenditures will be subject to recovery through a Tier 3 AL process.”*

FOF 208 further indicates:

*“Parties will have the opportunity to review the reasonableness of these DIMP-related expenses in SoCalGas’ balancing account when those expenses are reported in the Annual Regulatory Account Balance Update or in the Tier 3 AL filing.”*

As of August 31, 2013, the Post-2011 DIMPBA has an overcollected balance of \$6.1 million based on activity for the period of January 1, 2012 through the first eight months of 2013. The overcollected balance is due to the timing required to ramp up to meet program objectives. Once programs are developed and resources are in place, the pace of expenditures is expected to increase and SoCalGas anticipates spending above its authorized funding beginning in 2014 through the remainder of its current four-year GRC cycle (2012-2015). SoCalGas plans to file a Tier 3 advice letter filing at that time to recover the undercollected balance in its post-2011 DIMPBA.

### **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 4, 2013. 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 the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [snewsom@SemptraUtilities.com](mailto:snewsom@SemptraUtilities.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.09-11-006 and therefore SoCalGas respectfully requests that this filing be approved November 14, 2013, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2014.

### **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.10-12-006, TY 2012 GRC and A.11-11-002 2013 TCAP.

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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) #: 4550

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

Jan. 1, 2014

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

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.11-04-032, D.13-05-010

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: 11/14/13 AL; 1/1/14 Rates

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 0.9 %

Estimated system average rate effect (%): 0.9 %

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>: See advice letter

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  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Southern California Gas Company  
Attention: Sid Newsom  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
[SNewsom@semprautilities.com](mailto:SNewsom@semprautilities.com)  
[tariffs@socalgas.com](mailto:tariffs@socalgas.com)

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

**ATTACHMENT A**

**Advice No. 4550**

**(See Attached Service Lists)**

## ATTACHMENT B Advice No. 4550

**TABLE 1**  
**Natural Gas Transportation Rate Revenues**  
**Southern California Gas Company**  
**Regulatory Account Update**

SCG 2014 RD Model

	Present Rates			Proposed Rates			Changes		
	Sept-1-13 Volumes	Proposed Rate	Sept-1-13 Revenues	Jan-1-14 Volumes	Proposed Rate	Jan-1-14 Revenues	Revenue Change	Rate Change	% Rate change
	A	\$/therm	\$000's	D	\$/therm	\$000's	G	\$/therm	I
1 <b>CORE</b>									
2 Residential	2,483,989	\$0.58742	\$1,459,148	2,483,989	\$0.58926	\$1,463,706	\$4,558	\$0.00183	0.3%
3 Commercial & Industrial	970,519	\$0.30675	\$297,708	970,519	\$0.32021	\$310,767	\$13,059	\$0.01346	4.4%
4									
5 NGV - Pre SempraWide	117,231	\$0.07508	\$8,802	117,231	\$0.09823	\$11,516	\$2,714	\$0.02315	30.8%
6 SempraWide Adjustment	117,231	\$0.00186	\$218	117,231	(\$0.00081)	(\$94)	(\$312)	(\$0.00266)	-143.3%
7 NGV - Post SempraWide	117,231	\$0.07694	\$9,020	117,231	\$0.09743	\$11,422	\$2,402	\$0.02049	26.6%
8									
9 Gas A/C	1,210	\$0.06756	\$82	1,210	\$0.09107	\$110	\$28	\$0.02351	34.8%
10 Gas Engine	18,080	\$0.09041	\$1,635	18,080	\$0.11289	\$2,041	\$406	\$0.02248	24.9%
11 <b>Total Core</b>	<b>3,591,030</b>	<b>\$0.49222</b>	<b>\$1,767,592</b>	<b>3,591,030</b>	<b>\$0.49792</b>	<b>\$1,788,046</b>	<b>\$20,454</b>	<b>\$0.00570</b>	<b>1.2%</b>
12									
13 <b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
14 Distribution Level Service	982,465	\$0.07543	\$74,105	982,465	\$0.07388	\$72,582	(\$1,524)	(\$0.00155)	-2.1%
15 Transmission Level Service (2)	457,697	\$0.02555	\$11,696	457,697	\$0.02272	\$10,398	(\$1,298)	(\$0.00284)	-11.1%
16 <b>Total Noncore C&amp;I</b>	<b>1,440,163</b>	<b>\$0.05958</b>	<b>\$85,801</b>	<b>1,440,163</b>	<b>\$0.05762</b>	<b>\$82,980</b>	<b>(\$2,821)</b>	<b>(\$0.00196)</b>	<b>-3.3%</b>
17									
18 <b>NONCORE ELECTRIC GENERATION</b>									
19 Distribution Level Service									
20 Pre Sempra Wide	353,995	\$0.03554	\$12,580	353,995	\$0.03337	\$11,812	(\$768)	(\$0.00217)	-6.1%
21 Sempra Wide Adjustment	353,995	\$0.00378	\$1,338	353,995	\$0.00320	\$1,133	(\$205)	(\$0.00058)	-15.3%
22 Distribution Level Post Sempra Wide	353,995	\$0.03932	\$13,918	353,995	\$0.03657	\$12,945	(\$973)	(\$0.00275)	-7.0%
23 Transmission Level Service (2)	2,472,969	\$0.02133	\$52,744	2,472,969	\$0.02146	\$53,059	\$315	\$0.00013	0.6%
24 <b>Total Electric Generation</b>	<b>2,826,964</b>	<b>\$0.02358</b>	<b>\$66,662</b>	<b>2,826,964</b>	<b>\$0.02335</b>	<b>\$66,004</b>	<b>(\$659)</b>	<b>(\$0.00023)</b>	<b>-1.0%</b>
25									
26 <b>TOTAL RETAIL NONCORE</b>	<b>4,267,127</b>	<b>\$0.03573</b>	<b>\$152,463</b>	<b>4,267,127</b>	<b>\$0.03491</b>	<b>\$148,983</b>	<b>(\$3,480)</b>	<b>(\$0.00082)</b>	<b>-2.3%</b>
27									
28 <b>WHOLESALE &amp; INTERNATIONAL (Excl. SDG&amp;E)</b>	<b>368,955</b>	<b>\$0.02037</b>	<b>\$7,517</b>	<b>368,955</b>	<b>\$0.02138</b>	<b>\$7,888</b>	<b>\$371</b>	<b>\$0.00101</b>	<b>4.9%</b>
29									
30 <b>OTHER SERVICES (SDG&amp;E, UBS, and BTS)</b>	<b>1,230,285</b>		<b>\$194,444</b>	<b>1,230,285</b>		<b>\$195,881</b>	<b>\$1,437</b>		
31									
32 <b>SYSTEM TOTALw/SL,FAR,TLS,SW</b>	<b>9,457,396</b>	<b>\$0.22438</b>	<b>\$2,122,016</b>	<b>9,457,396</b>	<b>\$0.22636</b>	<b>\$2,140,797</b>	<b>\$18,781</b>	<b>\$0.00199</b>	<b>0.9%</b>
33									
34 EOR Revenues	156,187	\$0.03018	\$4,714	156,187	\$0.02924	\$4,568	(\$147)	(\$0.00094)	-3.1%
35 <b>Total Throughput w/EOR Mth/yr</b>	<b>9,613,583</b>			<b>9,613,583</b>					

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) All rates include Franchise Fees & Uncollectible charges

**ATTACHMENT C  
Advice No. 4550**

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

Account Name (1)	Authorized 06/01/2013 Amortization			Proposed 01/01/2014 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)	(287)	(23)	(309)	(53)	(4)	(57)	234	18	253
2. Core Fixed Cost Account (CFCA)	(58,586)	0	(58,586)	48,860	0	48,860	107,446	0	107,446
3. Company-Use Fuel for Load Balancing Account (CUFLBA)	318	533	852	388	649	1,037	69	116	185
4. CSI Thermal Program Memorandum Account (CSITPMA)	2,851	1,381	4,231	2,972	1,439	4,412	122	59	180
5. Disconnect Memorandum Account (DMA)	612	0	612	0	0	0	(612)	0	(612)
6. Distribution Integrity Management Program Memorandum Account (DIMPBA)	0	0	0	(129)	(10)	(139)	(129)	(10)	(139)
7. Economic Practicality Shortfall Memorandum Account (EPSMA)	0	931	931	0	1,126	1,126	0	195	195
8. Enhanced Oil Recovery Account (EORA)	(823)	(84)	(907)	(2,240)	(228)	(2,468)	(1,417)	(144)	(1,561)
9. Environmental Fee Memorandum Account EFMA	10,842	7,030	17,872	0	0	0	(10,842)	(7,030)	(17,872)
10. FERC Settlement Proceeds Memorandum Account (FSPMA)	(1,730)	0	(1,730)	1,896	0	1,896	3,626	0	3,626
11. Firm Access & Storage Rights Memorandum Acct (FASRMA)	11	17	28	0	0	0	(11)	(17)	(28)
12. General Rate Case Memorandum Account (GRCMA)	45,705	3,605	49,309	45,814	3,613	49,427	110	9	118
GRCMA Sub allocation for AB32 Admin Fees	1,511	980	2,491	1,511	980	2,491	0	0	0
13. Hazardous Substance Cost Recovery Account (HSCRA)	3,660	5,974	9,634	0	0	0	(3,660)	(5,974)	(9,634)
14. Honor Rancho Storage Memorandum Account (HRSMA)	3,597	3,058	6,655	3,349	2,847	6,197	(248)	(211)	(458)
15. Integrated Transmission Balancing Account (ITBA) (2)	(4,187)	(5,018)	(9,205)	1,906	2,284	4,190	6,092	7,303	13,395
16. Intervenor Award Memorandum Account (IAMA)	31	50	81	30	49	79	(1)	(1)	(2)
17. Montebello True-Up Tracking Account (MTTA)	1,762	755	2,516	(1,683)	(721)	(2,404)	(3,445)	(1,475)	(4,920)
18. New Environmental Regulation Balancing Account (NERBA)									
- AB32 Fee sub-account	0	0	0	(3,096)	(2,007)	(5,103)	(3,096)	(2,007)	(5,103)
- C&T Facilities sub-account	0	0	0	2,153	170	2,323	2,153	170	2,323
19. Noncore Fixed Cost Account (NFCA) Margin	0	(930)	(930)	0	7,758	7,758	0	8,687	8,687
20. Noncore Fixed Cost Account (NFCA) Non-Margin	0	(4,799)	(4,799)	0	(4,577)	(4,577)	0	222	222
21. Noncore Storage Balancing Account (NSBA)	(5,690)	(9,289)	(14,979)	(2,144)	(3,500)	(5,644)	3,546	5,789	9,336
22. On-Bill Financing Balancing Account (OBFBA) (3)	1,745	138	1,883	141	11	153	(1,604)	(126)	(1,730)
23. Pension Balancing Account (PBA)	35,750	2,819	38,568	(30,408)	(2,397)	(32,806)	(66,158)	(5,216)	(71,374)
24. Post-Retire Benefits Other than Pensions Balancing Acct (PBOPBA)	(7,319)	(577)	(7,896)	(11,883)	(937)	(12,820)	(4,565)	(360)	(4,925)
25. PCB Expense Account (PCBEA)	0	0	0	121	197	318	121	197	318
26. Research Development and Demonstration Expense Account (RDDEA)	0	0	0	(1,066)	(84)	(1,150)	(1,066)	(84)	(1,150)
27. Research Royalty Memorandum Account (RRMA)	(79)	(6)	(85)	(943)	(74)	(1,017)	(864)	(68)	(932)
28. Rewards & Penalties Balancing Account (RPBA)	5,175	408	5,583	(90)	(7)	(97)	(5,265)	(415)	(5,680)
29. Self-Generation Program Memorandum Account (SGPMA) (4)	11,979	19,553	31,532	9,931	16,210	26,141	(2,048)	(3,343)	(5,391)
30. System Reliability Memorandum Account (SRMA) (5)	1,464	2,390	3,854	1,165	1,902	3,068	(299)	(488)	(786)
<b>Total Regulatory Accounts</b>	<b>48,309</b>	<b>28,894</b>	<b>77,203</b>	<b>66,502</b>	<b>24,689</b>	<b>91,192</b>	<b>18,193</b>	<b>(4,205)</b>	<b>13,988</b>

Notes:

- 1/ All amounts include FF&U.
- 2/ Forecast SoCalGas ITBA Dec 31, 2013 balance is on a combined and re-allocated basis.
- 3/ Represents authorized revenue requirement for rate purposes.
- 4/ Represents authorized funding of \$8 million for 2014 and additional funding of \$17.7 million per Advice No. 4437.
- 5/ SRMA forecast per rate recovery of \$2.2 million as authorized AL 4406 and 4406-A and \$0.8 million per MILC agreement as authorized in AL 4291-A.

## ATTACHMENT D

Advice No. 4550

SOUTHERN CALIFORNIA GAS COMPANY  
GAS PRICE FORECAST - 2014

Average of Implied Market Value													
Row Labels	2014-01	2014-02	2014-03	2014-04	2014-05	2014-06	2014-07	2014-08	2014-09	2014-10	2014-11	2014-12	Total
6/28/2013 0:00	3.93	3.95	3.90	3.82	3.83	3.86	3.95	3.97	3.97	3.95	4.08	4.29	3.96
7/1/2013 0:00	3.96	3.97	3.92	3.83	3.83	3.87	3.95	3.98	3.98	3.96	4.08	4.29	3.97
7/2/2013 0:00	4.03	4.05	4.00	3.89	3.90	3.93	4.01	4.04	4.04	4.02	4.13	4.34	4.03
7/3/2013 0:00	4.07	4.08	4.03	3.93	3.94	3.97	4.05	4.08	4.07	4.06	4.16	4.37	4.07
7/5/2013 0:00	4.00	4.01	3.97	3.87	3.87	3.90	3.99	4.02	4.01	4.00	4.11	4.31	4.00
7/8/2013 0:00	4.10	4.09	4.06	3.95	3.95	3.98	4.07	4.09	4.09	4.08	4.19	4.40	4.09
7/9/2013 0:00	4.03	4.04	4.01	3.90	3.91	3.94	4.03	4.05	4.05	4.04	4.15	4.36	4.04
7/10/2013 0:00	4.06	4.07	4.03	3.92	3.93	3.96	4.04	4.07	4.07	4.06	4.17	4.37	4.06
7/11/2013 0:00	3.99	4.00	3.96	3.87	3.87	3.90	3.99	4.01	4.01	4.00	4.11	4.32	4.00
7/12/2013 0:00	4.03	4.05	4.01	3.92	3.93	3.96	4.03	4.06	4.06	4.05	4.15	4.36	4.05
7/15/2013 0:00	4.06	4.07	4.04	3.95	3.96	3.99	4.06	4.09	4.09	4.08	4.17	4.38	4.08
7/16/2013 0:00	4.06	4.08	4.04	3.95	3.97	4.00	4.07	4.10	4.10	4.08	4.17	4.38	4.08
7/17/2013 0:00	4.04	4.05	4.01	3.92	3.94	3.97	4.04	4.07	4.07	4.05	4.13	4.34	4.05
7/18/2013 0:00	4.18	4.19	4.14	4.02	4.03	4.06	4.13	4.16	4.15	4.13	4.21	4.41	4.15
7/19/2013 0:00	4.16	4.15	4.09	3.98	3.99	4.01	4.09	4.11	4.11	4.09	4.18	4.38	4.11
7/22/2013 0:00	4.07	4.07	4.02	3.92	3.93	3.96	4.03	4.06	4.06	4.04	4.12	4.32	4.05
7/23/2013 0:00	4.13	4.13	4.08	3.98	3.99	4.01	4.09	4.11	4.11	4.09	4.18	4.36	4.10
7/24/2013 0:00	4.09	4.10	4.05	3.96	3.97	4.00	4.07	4.10	4.10	4.08	4.16	4.35	4.09
7/25/2013 0:00	4.05	4.06	4.01	3.93	3.95	3.98	4.05	4.08	4.07	4.06	4.14	4.33	4.06
7/26/2013 0:00	3.98	3.99	3.95	3.88	3.90	3.93	4.00	4.03	4.03	4.01	4.09	4.29	4.01
7/29/2013 0:00	3.92	3.94	3.90	3.84	3.85	3.88	3.96	3.99	3.98	3.97	4.05	4.24	3.96
7/30/2013 0:00	3.90	3.91	3.88	3.81	3.83	3.86	3.93	3.96	3.96	3.95	4.03	4.22	3.94
7/31/2013 0:00	3.91	3.93	3.89	3.82	3.84	3.87	3.94	3.97	3.97	3.96	4.03	4.23	3.95
8/1/2013 0:00	3.87	3.89	3.85	3.79	3.80	3.83	3.91	3.93	3.93	3.92	4.01	4.21	3.91
8/2/2013 0:00	3.83	3.85	3.81	3.74	3.76	3.79	3.86	3.89	3.89	3.88	3.97	4.17	3.87
8/5/2013 0:00	3.80	3.81	3.78	3.72	3.74	3.76	3.84	3.87	3.87	3.86	3.94	4.14	3.84
8/6/2013 0:00	3.79	3.80	3.76	3.70	3.71	3.74	3.82	3.85	3.84	3.83	3.92	4.13	3.82
8/7/2013 0:00	3.72	3.73	3.69	3.64	3.66	3.69	3.76	3.79	3.79	3.77	3.87	4.07	3.76
8/8/2013 0:00	3.76	3.76	3.73	3.68	3.70	3.73	3.80	3.83	3.83	3.81	3.91	4.11	3.80
8/9/2013 0:00	3.71	3.71	3.68	3.63	3.65	3.68	3.75	3.78	3.78	3.76	3.86	4.07	3.76
8/12/2013 0:00	3.78	3.78	3.75	3.69	3.71	3.74	3.81	3.84	3.84	3.82	3.92	4.13	3.82
<b>Total</b>	<b>3.97</b>	<b>3.98</b>	<b>3.94</b>	<b>3.85</b>	<b>3.87</b>	<b>3.89</b>	<b>3.97</b>	<b>4.00</b>	<b>4.00</b>	<b>3.98</b>	<b>4.08</b>	<b>4.28</b>	<b>3.98</b>

**ATTACHMENT E  
Advice No. 4550**

**SOUTHERN CALIFORNIA GAS COMPANY  
PENSION BALANCING ACCOUNT (PBA)  
Year 2013**

(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	37,886	34,957	32,030	29,123	29,301	(33,000)	(39,447)	(42,916)	(49,360)	(55,806)	(41,031)	(47,060)	37,886
1a	Prior Period Adjustment	-	-	-	-	(41,619)	-	-	-	-	-	-	-	(41,619)
1b	Adjusted Beginning Balance	37,886	34,957	32,030	29,123	(12,318)	(33,000)	(39,447)	(42,916)	(49,360)	(55,806)	(41,031)	(47,060)	(3,732)
2	Recorded Cost	564	564	564	3,618	(1,961)	77	3,055	81	80	21,302	497	21,349	49,789
3	Authorized Cost	341	336	317	286	15,533	3,362	3,362	3,362	3,362	3,362	3,362	3,362	40,349
4	Net position (2-3):	223	227	247	3,332	(17,494)	(3,285)	(307)	(3,281)	(3,283)	17,939	(2,865)	17,986	9,439
5	Amortization	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(3,158)	(37,901)
6	Current Month Adjustment (4+5):	(2,935)	(2,931)	(2,911)	174	(20,652)	(6,444)	(3,466)	(6,439)	(6,441)	14,781	(6,023)	14,828	(28,461)
7	Current Month Interest**:	6	4	4	4	(30)	(3)	(3)	(4)	(5)	(6)	(6)	(5)	(44)
8	Total Current Month Activity (6+7):	(2,929)	(2,927)	(2,907)	177	(20,682)	(6,447)	(3,469)	(6,444)	(6,447)	14,775	(6,029)	14,823	(28,506)
9	Ending Balance (1b+8):	34,957	32,030	29,123	29,301	(33,000)	(39,447)	(42,916)	(49,360)	(55,806)	(41,031)	(47,060)	(32,238)	(32,238)

\*\* 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>	0.20%	0.16%	0.17%	0.15%	0.12%	0.10%	0.10%	0.11%	0.12%	0.15%	0.15%	0.15%
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**Supporting Calculation - 2013 Net Pension Revenue/Costs**

	Authorized Cost	Recorded Cost
Gross Revenue/costs	43,934	56,100
Lees: Amount capitalized	(7,732)	(10,308)
Less: Billings to SDG&E/Unregulated Affiliates	(1,451)	(754)
Plus: Billings from SDG&E	5,164	3,255
Depreciation/Return 1/	434	1,496
Net Costs	<u>\$40,349</u>	<u>\$49,789</u>

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

**ATTACHMENT F  
Advice No. 4550**

**SOUTHERN CALIFORNIA GAS COMPANY  
POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOBPA)  
Year 2013  
(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	(7,822)	(9,284)	(10,711)	(9,751)	(11,112)	(7,580)	(6,513)	(7,698)	(8,706)	(9,421)	(10,650)	(11,884)	(7,822)
1a	Prior Period Adjustment	-	-	-	-	3,545	-	-	-	-	-	-	-	3,545
1b	Adjusted Beginning Balance	(7,822)	(9,284)	(10,711)	(9,751)	(7,567)	(7,580)	(6,513)	(7,698)	(8,706)	(9,421)	(10,650)	(11,884)	(4,277)
2	Recorded Cost	76	109	2,495	167	324	2,276	96	272	567	52	47	567	7,048
3	Authorized Cost	2,183	2,182	2,179	2,174	985	1,855	1,926	1,926	1,926	1,926	1,926	1,926	23,118
4	Net position (2-3):	(2,107)	(2,073)	315	(2,007)	(661)	421	(1,831)	(1,655)	(1,360)	(1,875)	(1,879)	(1,359)	(16,070)
5	Amortization	647	647	647	647	647	647	647	647	647	647	647	647	7,759
6	Current Month Adjustment (4-5):	(1,460)	(1,426)	962	(1,360)	(14)	1,068	(1,184)	(1,008)	(713)	(1,228)	(1,233)	(713)	(8,311)
7	Current Month Interest**:	(1)	(1)	(1)	(1)	2	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(11)
8	Total Current Month Activity (6+7):	(1,462)	(1,428)	961	(1,362)	(12)	1,067	(1,185)	(1,009)	(714)	(1,230)	(1,234)	(714)	(8,321)
9	Ending Balance (1b+8):	(9,284)	(10,711)	(9,751)	(11,112)	(7,580)	(6,513)	(7,698)	(8,706)	(9,421)	(10,650)	(11,884)	(12,598)	(12,598)

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

**Interest Assumption:** 0.20% 0.16% 0.17% 0.15% 0.12% 0.10% 0.10% 0.11% 0.12% 0.15% 0.15% 0.15%

**Supporting Calculation - 2013 Net PBOP Revenue/Costs**

	Authorized	Recorded
	Cost	Cost
Gross Revenue/costs	26,629	7,300
Less: Amount capitalized	(4,687)	(1,504)
Less: Billings to SDG&E/Unregulated Affiliates	(501)	(95)
Plus: Billings from SDG&E	1,414	773
Depreciation/Return 1/	263	574
Net Costs	<u>\$23,118</u>	<u>\$7,048</u>

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

**ATTACHMENT G**  
**Advice No. 4550**

**Southern California Gas Company**  
**Pension Plan**  
**Scenario Assuming 7% Asset Return in 2013, 7% Thereafter**

**Development of 2013 Minimum Required Contribution**

1. 2013 Funding target liability	\$1,546,268,920	
[ Net Effective Interest Rate ]	6.31%	
2. 2013 Plan Actuarial Value of Assets	\$1,540,526,250	
3. Funding shortfall [MAX[(1) - (2),0] ]	\$5,742,670	
4. 2013 Plan Normal Cost		\$52,178,755
[includes estimated plan expenses of \$4,800,000]		
5. 2010 shortfall amortization charge (amortized through 2016) *		0
6. 2011 shortfall amortization charge (amortized through 2017) *		0
7. 2012 shortfall amortization charge (amortized through 2018) *		0
8. Funding shortfall base *		
(a) Present value of 2009 shortfall amortization charge	0	
[based on amortization over 3 years at 4.94%]		
(b) Present value of 2010 shortfall amortization charge	0	
[based on amortization over 4 years at 4.94%]		
(c) Present value of 2011 shortfall amortization charge	0	
[based on amortization over 5 years at 4.94%]		
(d) Present value of 2012 shortfall amortization charge	0	
[based on amortization over first 5 years at 4.94% and next year at 6.15%]		
(e) 2013 funding shortfall base [ ( 3 ) - ( 8(a) ) - ( 8(b) ) - ( 8(c) ) - ( 8(d) ) ]	\$5,742,670	
9. 2013 Amortization factor	0.16689232	
[based on amortization of shortfall over 7 years, assuming		
a 4.94% rate for the first 5 years and 6.15% rate for the final 2 years]		
10. 2013 funding shortfall to be amortized in 2013-2019 [ ( 8(e) ) x (9) ]		958,406
<b>11. 2013 Minimum required contribution *</b>		<b>\$53,137,161</b>
<b>[ (4) + (5) + (6) + (7) + (10), amount as of 1/1/2013 ]</b>		

**Timing of 2013 Minimum Required Contribution**

Funding

First quarterly contribution deposited on April 1, 2013	\$2,800,000
Second quarterly contribution deposited on July 1, 2013	\$2,800,000
Third quarterly contribution deposited on October 1, 2013	\$2,800,000
Final 2013 contribution estimated to be deposited on December 15, 2013	\$47,690,669
<b>Sum of payments made for the 2013 Plan Year</b>	<b>\$56,090,669</b>
<b>1/1/2013 Present value of 2013 Plan Year contributions</b>	<b>\$53,137,161</b>

\* If the plan does not have a funding shortfall, then prior shortfall amortization bases are deemed fully amortized and there is no new shortfall amortization base for the current year. In addition, the minimum funding requirement is equal to the target normal cost less the excess assets.



**ATTACHMENT H**  
**Advice No. 4550**

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

**Development of 2013 Contribution**

1. 2013 APBO	\$834,178,779	
2. Discount rate	4.10%	
3. 2013 Fair Value of Assets	\$731,770,521	
4. 2013 Plan Service Cost		\$17,004,273
5. Interest cost		34,235,045
6. Expected return on assets [ based on expected return of 7% on assets ]		(47,605,808)
7. Transition obligation amortization		0
8. Prior service cost amortization		(2,258,760)
9. Unrecognized (gain)/loss amortization		5,948,054
<b>10. Net periodic benefit cost</b>		<b>\$7,322,804</b>

**Timing of Estimated 2013 Contribution**

	Funding
<b>Contributions through December 31 made primarily in quarterly installments</b>	<b>\$7,322,804</b>