

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



December 17, 2014

Advice Letter 4700-G

Rasha Prince, Director
Regulatory Affairs
Southern California Gas Company
555 W. Fifth Street, GT 14D6
Los Angeles, CA 90013-1011

**SUBJECT: ANNUAL REGULATORY GAS ACCOUNT BALANCE UPDATE
FOR RATES EFFECTIVE JANUARY 1, 2015**

Dear Ms. Prince:

Advice Letter 4700-G is approved as of December 17, 2014, for rates effective January 1, 2015. Pursuant to recommendations by the California State Auditor, Energy Division staff is currently conducting in-depth reviews of Southern California Gas Company gas balancing accounts. Balances in all accounts authorized for recovery are subject to audit, verification and adjustment.

Sincerely,

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

Edward Randolph
Director, Energy Division



Rasha Prince
Director
Regulatory Affairs

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Los Angeles, CA 90013-1011
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October 15, 2014

Advice No. 4700
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective
January 1, 2015**

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, 2015.

Purpose

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 authorized in Decision (D.) 14-06-007, SoCalGas' Triennial Cost Allocation Proceeding (TCAP). This filing revises SoCalGas' rates to incorporate the projected 2014 year-end regulatory account balances in transportation rates effective January 1, 2015. In compliance with D.11-04-032, this filing also revises the Backbone Transportation Service rate effective January 1, 2015.

In addition, in compliance with D.14-06-007, 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 C. 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 1st. It should be noted that the revenue requirement herein does not include other revenue requirement

adjustments¹ expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2015. 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, 2015 effective date of such rates.

Customer Rate Impact – Regulatory Account Balances

Total

SoCalGas' transportation revenue requirement will increase by \$94.0 million. The core and noncore customer revenue requirements will increase by \$84.6 million and \$9.4 million, respectively, as a result of the regulatory account balance update.

Attachment A 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, the demand determinate for the BTS rate, and corresponding present and proposed rates. Attachment B shows a Summary of Present and Proposed Regulatory Account Balances while Attachments D and E show the calculation of the Pension Balancing Account (PBA) and Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA) balances to be included in 2015 rates. Attachments F and G show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2014.

Core Customers

An \$84.6 million increase in the core transportation revenue requirement reflects the amortization of the projected year-end 2014 regulatory account balances. The increase is primarily due to an increase in the undercollected balance in the Core Fixed Cost Account (CFCA), a decrease in the overcollected balance in the PBA, and a decrease in the authorized Self-Generation Incentive Program (SGIP) funding balanced in the Self-Generation Program Memorandum Account (SGPMA) as described below.

CFCA – Pursuant to Advice No. (AL) 4550, SoCalGas was authorized to amortize in 2014 rates a CFCA undercollection of \$48.9 million. The projected CFCA balance for amortization in 2015 rates is \$126.8 million undercollected, representing a revenue requirement increase of \$77.9 million.

PBA – Pursuant to AL 4550, SoCalGas was authorized to amortize in 2014 rates a PBA overcollection of \$32.8 million. The projected PBA balance for amortization in 2015 rates is \$20.1 million overcollected, representing a revenue requirement increase of \$12.7 million. The increase is primarily due to the difference between the adjustment to true-up to the authorized pension

¹ For example, see SoCalGas Advice No. 4661 - Energy Efficiency Awards for Program Years 2012 and 2013.

funding recorded in 2013 and a reduction in pension funding between the years 2013 to 2014. The core revenue requirement allocation is \$12.0 million.

SGIP Funding for SGPMA – Pursuant to D.11-12-030, SGIP Annual Budget for the years 2012 through 2014, and AL 4437, SoCalGas was authorized to collect \$8 million for its 2014 SGIP funding and \$17.7 million in SGIP carryover funding, respectively, totaling \$25.7 million (\$26.1 million including FF&U) in 2014 rates. On June 20, 2014, the Governor signed Senate Bill 861, which among other things, authorized a five-year extension for the SGIP. However, Commission approval to authorize recovery of the 2015 SGIP funding in rates is still pending as of the date of this filing. As a result, SoCalGas forecasts no SGIP funding for 2015 in this filing. The core revenue requirement allocation of this decrease is \$9.5 million.

The major components of the core revenue requirement increase are as follows:²

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	77.9
PBA	12.0
SGIP Funding for SGPMA	(9.5)
Other Regulatory Accounts - net	4.2
Total Core Revenue Requirement	84.6

Noncore Customers

A \$9.4 million increase in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2014 regulatory account balances. The increase is primarily due to an increase in the undercollected balance of the Noncore Fixed Cost Account (NFCA), a change from an overcollected to undercollected balance in the Noncore Storage Balancing Account (NSBA), increases in the undercollected balances in the System Reliability Memorandum Account (SRMA) and Compression Station Fuel & Power Balancing Account (CFPBA), and a decrease in the authorized SGIP funding balanced in the SGPMA as described below.

NFCA – Pursuant to AL 4550, SoCalGas was authorized to amortize in 2014 rates a NFCA undercollection of \$3.2 million. The projected NFCA balance for amortization in 2015 rates is \$11.4 million undercollected, representing a revenue requirement increase of \$8.2 million.

² Amounts shown include franchise fees and uncollectibles.

NSBA – Pursuant to AL 4550, SoCalGas was authorized to amortize in 2014 rates a NSBA overcollection of \$5.6 million. The projected NSBA balance for amortization in 2015 rates is slightly undercollected, representing a revenue requirement increase. The noncore revenue requirement allocation of this increase is \$5.0 million.

SRMA – Pursuant to AL 4550, SoCalGas was authorized to amortize in 2014 rates a SRMA undercollection of \$3.1 million. Pursuant to AL 4547, SoCalGas is authorized to recover \$7.9 million in system reliability costs incurred for the period of September 1, 2012 through August 31, 2013. Including adjustments for the Memorandum In Lieu of Contract³ covering the period from April 1, 2013 through August 31, 2013, SoCalGas will amortize \$9.9 million in 2015 rates representing a revenue requirement increase of \$6.8 million. The noncore revenue requirement allocation of this increase is \$4.4 million.

CFPBA – Pursuant to D.14-06-007, SoCalGas was authorized to amortize the CFPBA in rates. The projected CFPBA balance for amortization in 2015 rates is \$5.5 million undercollected and the noncore revenue requirement allocation of this increase is \$3.1 million.

SGIP Funding for the SGPMA – As discussed above, the revenue requirement will decrease by \$26.1 million and the noncore allocation of this revenue requirement decrease is \$16.7 million.

The major components of the noncore revenue requirement decrease are as follows:²

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
NFCA	8.2
NSBA	5.0
SRMA	4.4
CFPBA	3.1
SGIP Funding for SGPMA	(16.7)
Other Regulatory Accounts - net	5.4
Total Noncore Revenue Requirement	9.4

³ Authorized in AL 4394-B and made effective April 1, 2013, per Resolution G-3476.

Revision to the BTS Rate

Pursuant to AL 4550, SoCalGas was authorized to amortize in 2014 rates a BTBA undercollection of \$16.9 million. As of December 31, 2014, the BTBA is projected to have an undercollected balance of \$14.3 million, representing a BTS revenue requirement decrease of \$2.6 million. Additionally, SoCalGas updated the BTS Demand pursuant to D.11-04-032. The calculation of the proposed BTS rate for 2015 is detailed below:

Update to BTS Rate

	Present	Proposed	increase (decrease)
Unbundled BTS Revenues w/ FF&U (M\$)	\$147,526	\$147,526	\$0
BTBA w/o FF&U (M\$)	\$16,587	\$14,010	(\$2,578)
FF&U Rate	1.0176	1.0176	
BTBA w/ FF&U (M\$)	\$16,880	\$14,257	(\$2,623)
BTS Revenue w/ FF&U (M\$)	\$164,406	\$161,782	(\$2,623)
BTS Demand Dth/Day	2,923,646	2,809,327	(114,319)
BTS rate w/ FF&U \$/dth day	\$0.15406	\$0.15777	\$0.00371

Revenue Requirement Change in CU Fuel and UAF Gas costs

Pursuant to D.14-06-007, 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 Citygate gas prices for the next year that is based on current futures prices.

As shown in Attachment C, SoCalGas forecasts the average gas price of \$4.28/MMBtu, an increase of \$0.30/MMBtu from the \$3.98/MMBtu authorized for rates effective July 1, 2014. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$34.1 million, an increase of \$2.4 million compared to the present revenue requirement as shown in the calculation below:

Revenue Requirement Change for Gas Price Impact

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
<u>Unaccounted For Gas (UAF):</u>			
System Volumes Mth/yr	9,748,592	9,748,592	
% UAF (as % of end use)	0.761%	0.761%	
UAF Volumes Mth/yr	74,205	74,205	
Gas Price \$/dth	\$3.98	\$4.28	
UAF (M\$)	\$29,534	\$31,790	\$2,256
<u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	2,914	2,914	
Gas Price \$/dth	\$3.98	\$4.28	
Company Use Gas: Storage Load Balancing (M\$)	\$1,160	\$1,248	\$89
<u>Company Use Other:</u>			
Annual Average Volumes (Mth/year)	2,425	2,425	
Gas Price \$/dth	\$3.98	\$4.28	
Co Use Other (M\$)	\$965	\$1,039	\$74
Total Cost	\$31,659	\$34,077	\$2,419

Transmission Integrity Management Program Balancing Account (TIMPBA)

In compliance with D.13-05-010, SoCalGas established 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). 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 D.13-05-010's Findings of Fact (FOF) 202 indicates:

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.

D.13-05-010's 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.

On April 11, 2014, SoCalGas submitted AL 4632 seeking recovery for \$29 million of TIMP costs above authorized funding levels recorded as of December 31, 2013. As

such, this filing provides a description of the activity recorded in the TIMPBA for 2014. As of August 31, 2014, the TIMPBA recorded an undercollected balance of \$41.2 million resulting in \$12.0 million of recorded net activity for the first eight months of 2014. The activity is comprised of \$27.9 million of O&M costs and \$4.9 million of capital-related costs offset by \$20.8 million of authorized funding.

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

In compliance with D.13-05-010, SoCalGas established the Post-2011 DIMPBA to record the difference between the authorized and actual operating and maintenance (O&M) and capital-related costs associated with its Distribution Integrity Management Program (DIMP). The Post-2011 DIMPBA is a two-way balancing account, and similar to the TIMPBA, SoCalGas is required to submit a Tier 3 AL to seek recovery of any costs that exceed the authorized DIMP funding level as D.13-05-010's FOF 206 indicates:

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.

D.13-05-010's 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.

In the prior year's filing⁴, SoCalGas provided a description of the activity recorded in the Post-2011 DIMPBA through August 31, 2013. As of August 31, 2014, the Post-2011 DIMPBA has an undercollected balance of \$2.4 million compared to an overcollected balance of \$6.1 million as of August 31, 2013 resulting in \$8.5 million of recorded net activity. The activity is comprised of \$36.7 million of O&M costs and \$1.0 million of capital-related costs offset by \$29.2 million of authorized funding.

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, 2014. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

⁴ SoCalGas AL 4550.

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 the Energy Division Tariff Unit (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@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.14-06-007 and therefore SoCalGas respectfully requests that this filing be approved November 14, 2014, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2015.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.10-12-006, TY 2012 GRC, A.11-11-002, 2013 TCAP. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.com or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at process_office@cpuc.ca.gov

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) #: 4700

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

Jan. 1, 2015

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.11-04-032, D.13-05-010, D.14-06-007

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: 11/14/14 AL; 1/1/15 Rates

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 4.3 %

Estimated system average rate effect (%): 4.3 %

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 proposed¹: 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

Southern California Gas Company
Attention: Sid Newsom
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
SNewsom@semprautilities.com
tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

**ATTACHMENT A
Advice No. 4700**

**Natural Gas Transportation Rate Revenues
Southern California Gas Company
January, 2015 Rates
SCG Regulatory Account Update**

	Present Rates			Proposed Rates			Changes			
	Jul-1-14		Jul-1-14	Jan-1-15	Proposed	Jan-1-15	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	2,337,534	\$0.66285	\$1,549,446	2,337,534	\$0.68871	\$1,609,879	\$60,433	\$0.02585	3.9%
3	Commercial & Industrial	984,102	\$0.30648	\$301,606	984,102	\$0.32975	\$324,509	\$22,903	\$0.02327	7.6%
4										
5	NGV - Pre SempraWide	117,220	\$0.10432	\$12,228	117,220	\$0.12708	\$14,896	\$2,667	\$0.02276	21.8%
6	SempraWide Adjustment	117,220	\$0.00176	\$206	117,220	\$0.00004	\$4	(\$202)	(\$0.00172)	-98.0%
7	NGV - Post SempraWide	117,220	\$0.10608	\$12,434	117,220	\$0.12711	\$14,900	\$2,466	\$0.02103	19.8%
8										
9	Gas A/C	825	\$0.10706	\$88	825	\$0.13239	\$109	\$21	\$0.02533	23.7%
10	Gas Engine	16,774	\$0.12163	\$2,040	16,774	\$0.12163	\$2,040	\$0	\$0.00000	0.0%
11	Total Core	3,456,455	\$0.53975	\$1,865,615	3,456,455	\$0.56458	\$1,951,437	\$85,822	\$0.02483	4.6%
12										
13	NONCORE COMMERCIAL & INDUSTRIAL									
14	Distribution Level Service	893,164	\$0.06680	\$59,667	893,164	\$0.06725	\$60,067	\$401	\$0.00045	0.7%
15	Transmission Level Service (2)	654,456	\$0.01421	\$9,301	654,456	\$0.01797	\$11,760	\$2,459	\$0.00376	26.4%
16	Total Noncore C&I	1,547,620	\$0.04456	\$68,968	1,547,620	\$0.04641	\$71,828	\$2,860	\$0.00185	4.1%
17										
18	NONCORE ELECTRIC GENERATION									
19	Distribution Level Service									
20	Pre Sempra Wide	333,969	\$0.04591	\$15,331	333,969	\$0.04611	\$15,398	\$67	\$0.00020	0.4%
21	Sempra Wide Adjustment	333,969	(\$0.00754)	(\$2,517)	333,969	(\$0.00705)	(\$2,355)	\$161	\$0.00048	-6.4%
22	Distribution Level Post Sempra Wide	333,969	\$0.03837	\$12,815	333,969	\$0.03905	\$13,042	\$228	\$0.00068	1.8%
23	Transmission Level Service (2)	2,641,080	\$0.01290	\$34,063	2,641,080	\$0.01480	\$39,086	\$5,023	\$0.00190	14.7%
24	Total Electric Generation	2,975,049	\$0.01576	\$46,877	2,975,049	\$0.01752	\$52,128	\$5,251	\$0.00176	11.2%
25										
26	TOTAL RETAIL NONCORE	4,522,669	\$0.02561	\$115,845	4,522,669	\$0.02741	\$123,956	\$8,111	\$0.00179	7.0%
27										
28	WHOLESALE & INTERNATIONAL (excluding SDG&E)	317,990	\$0.01276	\$4,059	317,990	\$0.01446	\$4,599	\$541	\$0.00170	13.3%
29										
30	OTHER SERVICES (SDG&E, UBS, & BTS)	1,247,558		\$203,751	1,247,558		\$202,839	(\$913)		
31	SYSTEM TOTAL w/BTS	9,544,672	\$0.22937	\$2,189,270	9,544,672	\$0.23917	\$2,282,831	\$93,561	\$0.00980	4.3%
32										
33	EOR Revenues	203,920	\$0.02648	\$5,400	203,920	\$0.02764	\$5,635	\$236	\$0.00116	4.4%
34	Total Throughput w/EOR Mth/yr	9,748,592			9,748,592					

- 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 B

Advice No. 4700

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

Account Name (1)	Authorized 07/01/2014 Amortization			Proposed 01/01/2015 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 Transfer Fee Account (ATFA)	(\$53)	(\$3)	(\$57)	(\$110)	(\$7)	(\$117)	(\$57)	(\$3)	(\$60)
2. FERC Settlement Proceeds Memorandum Account (FSPMA)	\$1,896	\$0	\$1,896	(\$778)	\$0	(\$778)	(\$2,674)	\$0	(\$2,674)
3. General Rate Case Memorandum Account (GRCMA)	\$46,556	\$2,872	\$49,427	\$46,619	\$2,875	\$49,495	\$64	\$4	\$67
GRCMA Sub allocation for AB32 Admin Fees	\$1,425	\$1,065	\$2,491	\$1,425	\$1,065	\$2,491	\$0	\$0	\$0
4. Core Fixed Cost Account (CFCA)	\$48,860	\$0	\$48,860	\$126,802	\$0	\$126,802	\$77,942	\$0	\$77,942
5. On-Bill Financing Balancing Account (OBFBA)	\$144	\$9	\$153	\$0	\$0	\$0	(\$144)	(\$9)	(\$153)
6. Economic Practicality Shortfall Memorandum Account (EPSMA)	\$0	\$1,126	\$1,126	\$0	\$871	\$871	\$0	(\$254)	(\$254)
7. California Solar Imitative Thermal Program Memorandum Account (CSITPMA)	\$2,853	\$1,558	\$4,412	\$6,804	\$3,717	\$10,521	\$3,951	\$2,158	\$6,109
8. Enhanced Oil Recovery Account (EORA)	(\$2,240)	(\$228)	(\$2,468)	(\$1,964)	(\$200)	(\$2,164)	\$276	\$28	\$304
9. Distribution Integrity Management Program Memorandum Account (DIMPBA)	(\$131)	(\$8)	(\$139)	\$0	\$0	\$0	\$131	\$8	\$139
10. Hazardous Substance Cost Recovery Account (HSCRA)	\$0	\$0	\$0	\$1,000	\$1,760	\$2,760	\$1,000	\$1,760	\$2,760
11. Intervenor Award Memorandum Account (IAMA)	\$29	\$50	\$79	\$371	\$654	\$1,025	\$343	\$604	\$947
12. PCB Expense Account (PCBEA)	\$115	\$203	\$318	\$0	\$0	\$0	(\$115)	(\$203)	(\$318)
13. Montebello True-Up Tracking Account (MITTA)	(\$1,683)	(\$721)	(\$2,404)	\$0	\$0	\$0	\$1,683	\$721	\$2,404
14. New Environmental Regulation Balancing Account (NERBA)									
- AB32 Fees Subaccount	(\$2,920)	(\$2,183)	(\$5,103)	(\$630)	(\$471)	(\$1,102)	\$2,290	\$1,712	\$4,001
- C&T Facilities Subaccount	\$2,188	\$135	\$2,323	\$3,055	\$188	\$3,243	\$867	\$53	\$921
15. Noncore Fixed Cost Account (NFCA) Margin	\$0	\$7,758	\$7,758	\$0	\$690	\$690	\$0	(\$7,068)	(\$7,068)
16. Noncore Fixed Cost Account (NFCA) Nonmargin	\$0	(\$4,577)	(\$4,577)	\$0	\$10,687	\$10,687	\$0	\$15,264	\$15,264
17. Integrated Transmission Balancing Account (ITBA) 2/	\$1,819	\$2,371	\$4,190	\$1,327	\$1,729	\$3,057	(\$492)	(\$642)	(\$1,134)
18. Compressor Station Fuel and Power Balancing Account (CFPBA)	\$0	\$0	\$0	\$2,400	\$3,128	\$5,528	\$2,400	\$3,128	\$5,528
19. Compression Services Balancing Account (CSBA)	\$0	\$0	\$0	(\$287)	(\$0)	(\$287)	(\$287)	(\$0)	(\$287)
20. Company-Use Fuel for Load Balancing Account (CUFLBA)	\$368	\$669	\$1,037	\$23	\$42	\$65	(\$345)	(\$627)	(\$971)
21. System Reliability Memorandum Account (SRMA)	\$1,111	\$1,956	\$3,068	\$3,603	\$6,341	\$9,944	\$2,491	\$4,385	\$6,876
22. Noncore Storage Balancing Account (NSBA)	(\$2,045)	(\$3,599)	(\$5,644)	\$790	\$1,391	\$2,181	\$2,835	\$4,990	\$7,825
23. Pension Balancing Account (PBA)	(\$30,900)	(\$1,905)	(\$32,806)	(\$18,920)	(\$1,167)	(\$20,087)	\$11,980	\$739	\$12,719
24. PBOP Balancing Account (PBOPBA)	(\$12,076)	(\$745)	(\$12,820)	(\$20,186)	(\$1,245)	(\$21,431)	(\$8,111)	(\$500)	(\$8,611)
25. Research Development and Demonstration Expense Account (RDDEA)	(\$1,083)	(\$67)	(\$1,150)	(\$480)	(\$30)	(\$509)	\$603	\$37	\$641
26. Research Royalty Memorandum Account (RRMA)	(\$958)	(\$59)	(\$1,017)	(\$352)	(\$22)	(\$373)	\$606	\$37	\$644
27. Self-Generation Program Memorandum Account (SGPMA)	\$9,471	\$16,670	\$26,141	\$0	\$0	\$0	(\$9,471)	(\$16,670)	(\$26,141)
28. Rewards & Penalties Balancing Account (RPBA)	\$2,857	\$176	\$3,033	(\$358)	(\$22)	(\$380)	(\$3,215)	(\$198)	(\$3,413)
Total Regulatory Accounts	\$65,602	\$22,523	\$88,125	\$150,155	\$31,977	\$182,133	\$84,553	\$9,454	\$94,008

Notes:

1/ All amounts include FF&U.

2/ Forecast SoCalGas ITBA Dec 31, 2014 balance is on a combined and re-allocated basis.

**ATTACHMENT C
Advice No. 4700**

**SOUTHERN CALIFORNIA GAS COMPANY
GAS PRICE FORECAST - 2015**

Average of Implied Market Value													
Row Labels	2015-01	2015-02	2015-03	2015-04	2015-05	2015-06	2015-07	2015-08	2015-09	2015-10	2015-11	2015-12	Total
7/22/2014 0:00	4.26	4.26	4.19	3.83	3.81	3.83	4.02	4.08	4.02	3.97	4.06	4.25	4.05
7/23/2014 0:00	4.25	4.25	4.18	3.82	3.80	3.82	4.02	4.08	4.02	3.97	4.05	4.25	4.04
7/24/2014 0:00	4.31	4.31	4.23	3.86	3.83	3.85	4.06	4.13	4.06	4.00	4.07	4.27	4.08
7/25/2014 0:00	4.27	4.26	4.20	3.83	3.81	3.82	4.04	4.11	4.04	3.98	4.07	4.27	4.06
7/28/2014 0:00	4.24	4.24	4.17	3.82	3.79	3.81	4.03	4.09	4.03	3.97	4.06	4.26	4.04
7/29/2014 0:00	4.29	4.29	4.22	3.85	3.82	3.83	4.05	4.12	4.05	4.00	4.08	4.28	4.07
7/30/2014 0:00	4.27	4.27	4.20	3.83	3.80	3.82	4.04	4.11	4.04	3.98	4.07	4.27	4.06
7/31/2014 0:00	4.34	4.33	4.26	3.87	3.84	3.85	4.07	4.14	4.07	4.02	4.11	4.30	4.10
8/1/2014 0:00	4.30	4.30	4.23	3.85	3.82	3.84	4.05	4.12	4.05	4.00	4.09	4.29	4.08
8/4/2014 0:00	4.34	4.34	4.27	3.88	3.85	3.87	4.08	4.15	4.08	4.03	4.12	4.32	4.11
8/5/2014 0:00	4.40	4.39	4.32	3.94	3.90	3.92	4.14	4.20	4.13	4.08	4.17	4.36	4.16
8/6/2014 0:00	4.43	4.42	4.35	3.98	3.94	3.96	4.17	4.23	4.16	4.11	4.21	4.39	4.20
8/7/2014 0:00	4.36	4.36	4.30	3.94	3.90	3.95	4.17	4.18	4.09	4.04	4.16	4.35	4.15
8/8/2014 0:00	4.43	4.43	4.35	3.97	3.93	3.95	4.16	4.22	4.15	4.11	4.20	4.38	4.19
8/11/2014 0:00	4.43	4.42	4.34	3.96	3.93	3.94	4.15	4.21	4.14	4.10	4.20	4.37	4.18
8/12/2014 0:00	4.44	4.43	4.35	3.98	3.94	3.95	4.17	4.23	4.16	4.11	4.20	4.37	4.20
8/13/2014 0:00	4.33	4.33	4.25	3.91	3.87	3.89	4.11	4.18	4.11	4.06	4.15	4.33	4.13
8/14/2014 0:00	4.39	4.38	4.30	3.94	3.90	3.91	4.15	4.22	4.15	4.09	4.19	4.36	4.16
8/15/2014 0:00	4.28	4.28	4.21	3.87	3.84	3.85	4.09	4.16	4.08	4.03	4.13	4.31	4.09
8/18/2014 0:00	4.30	4.30	4.22	3.89	3.85	3.86	4.10	4.17	4.10	4.04	4.14	4.32	4.11
8/19/2014 0:00	4.37	4.37	4.28	3.93	3.89	3.91	4.14	4.21	4.14	4.08	4.18	4.35	4.16
8/20/2014 0:00	4.33	4.33	4.25	3.90	3.87	3.88	4.12	4.19	4.11	4.06	4.16	4.34	4.13
8/21/2014 0:00	4.41	4.40	4.32	3.97	3.94	3.94	4.15	4.23	4.17	4.10	4.21	4.38	4.18
8/22/2014 0:00	4.37	4.37	4.29	3.95	3.92	3.93	4.13	4.21	4.15	4.09	4.20	4.37	4.16
8/25/2014 0:00	4.45	4.44	4.36	3.99	3.97	3.97	4.17	4.24	4.18	4.12	4.24	4.41	4.21
8/26/2014 0:00	4.42	4.41	4.33	3.98	3.96	3.95	4.15	4.22	4.17	4.11	4.22	4.39	4.19
8/27/2014 0:00	4.45	4.44	4.36	4.00	3.97	3.97	4.16	4.23	4.17	4.12	4.23	4.40	4.21
8/28/2014 0:00	4.46	4.45	4.37	4.01	3.98	3.98	4.16	4.23	4.17	4.12	4.24	4.41	4.21
8/29/2014 0:00	4.46	4.45	4.37	4.01	3.98	3.97	4.15	4.21	4.16	4.11	4.24	4.41	4.21
9/2/2014 0:00	4.28	4.27	4.12	3.88	3.85	3.88	4.10	4.07	3.99	4.05	4.17	4.30	4.08
9/3/2014 0:00	4.24	4.23	4.17	3.87	3.84	3.85	4.05	4.09	4.06	4.01	4.13	4.30	4.07
9/4/2014 0:00	4.24	4.22	4.15	3.86	3.82	3.83	4.05	4.09	4.03	4.00	4.12	4.29	4.06
9/5/2014 0:00	4.22	4.21	4.14	3.84	3.81	3.82	4.04	4.08	4.02	3.99	4.11	4.28	4.05
Total	4.34	4.34	4.26	3.91	3.88	3.89	4.10	4.16	4.10	4.05	4.15	4.33	4.13

Note: the projected gas price of \$4.13/MMdth is increased by the projected backbone transmission rate to project the Citygate gas price of \$4.28/MMDth.

**ATTACHMENT D
Advice No. 4700**

**SOUTHERN CALIFORNIA GAS COMPANY
PENSION BALANCING ACCOUNT (PBA)
Year 2014**

(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	(32,690)	(33,291)	(33,620)	(34,188)	(27,224)	(27,764)	(28,303)	(18,126)	(18,947)	(19,454)	(19,427)	(19,932)	(32,690)
1a	Prior Period Adjustment	-	207	-	(3,186)	-	-	-	-	-	-	-	-	(2,978)
1b	Adjusted Beginning Balance	(32,690)	(33,084)	(33,620)	(37,374)	(27,224)	(27,764)	(28,303)	(18,126)	(18,947)	(19,454)	(19,427)	(19,932)	(35,668)
2	Recorded Cost	170	265	217	10,937	246	246	10,962	(36)	278	813	281	979	25,358
3	Authorized Cost	3,455	3,484	3,470	3,470	3,470	3,470	3,470	3,470	3,470	3,470	3,470	3,470	41,635
4	Net position (2-3):	(3,285)	(3,219)	(3,252)	7,467	(3,224)	(3,224)	7,493	(3,506)	(3,191)	(2,657)	(3,189)	(2,490)	(16,277)
5	Amortization	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(2,686)	(32,236)
6	Current Month Adjustment (4-5):	(599)	(533)	(566)	10,153	(537)	(537)	10,179	(819)	(505)	30	(503)	196	(48,513)
7	Current Month Interest**:	(2)	(2)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(29)
8	Total Current Month Activity (6+7):	(601)	(536)	(569)	10,150	(539)	(540)	10,177	(821)	(507)	27	(505)	193	15,929
9	Ending Balance (1b+8):	(33,291)	(33,620)	(34,188)	(27,224)	(27,764)	(28,303)	(18,126)	(18,947)	(19,454)	(19,427)	(19,932)	(19,739)	(19,739)

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

Interest Assumption:	0.09%	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.12%	0.16%	0.16%	0.16%
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Supporting Calculation - 2014 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	45,142	26,590
Lees: Amount capitalized	(7,945)	(5,696)
Less: Billings to SDG&E/Unregulated Affiliates	(1,491)	(903)
Plus: Billings from SDG&E	5,448	2,714
Depreciation/Return 1/	481	2,653
Net Costs	<u>\$41,635</u>	<u>\$25,358</u>

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

**ATTACHMENT E
Advice No. 4700**

**SOUTHERN CALIFORNIA GAS COMPANY
POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOBPA)
Year 2014
(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	(10,845)	(11,670)	(12,448)	(13,289)	(14,806)	(16,505)	(17,357)	(18,212)	(18,554)	(19,421)	(20,288)	(10,845)	
1a	Prior Period Adjustment	-	62	-	(651)	-	-	-	-	-	-	-	(589)	
1b	Adjusted Beginning Balance	(10,845)	(11,608)	(12,448)	(13,940)	(14,806)	(16,505)	(17,357)	(18,212)	(18,554)	(19,421)	(20,288)	(11,434)	
2	Recorded Cost	105	101	95	70	84	89	84	82	595	70	70	166	1,610
3	Authorized Cost	1,979	1,990	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	23,814
4	Net position (2-3):	(1,874)	(1,889)	(1,889)	(1,915)	(1,900)	(1,896)	(1,901)	(1,903)	(1,390)	(1,915)	(1,915)	(1,819)	(22,204)
5	Amortization	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(12,598)
6	Current Month Adjustment (4-5):	(824)	(839)	(840)	(865)	(850)	(846)	(851)	(853)	(340)	(865)	(865)	(769)	(34,802)
7	Current Month Interest**:	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(3)	(3)	(3)	(19)
8	Total Current Month Activity (6+7):	(825)	(840)	(841)	(866)	(852)	(847)	(853)	(855)	(342)	(867)	(868)	(772)	(9,626)
9	Ending Balance (1b+8):	(11,670)	(12,448)	(13,289)	(14,806)	(15,658)	(16,505)	(17,357)	(18,212)	(18,554)	(19,421)	(20,288)	(21,060)	(21,060)

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

Interest Assumption: 0.09% 0.09% 0.10% 0.10% 0.10% 0.10% 0.10% 0.10% 0.10% 0.12% 0.16% 0.16% 0.16%

Supporting Calculation - 2014 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	27,362	199
Lees: Amount capitalized	(4,816)	(42)
Less: Billings to SDG&E/Unregulated Affiliates	(515)	(7)
Plus: Billings from SDG&E	1,492	769
Depreciation/Return 1/	291	691
Net Costs	<u>\$23,814</u>	<u>\$1,610</u>

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

ATTACHMENT F
Advice No. 4700

Southern California Gas Company
Pension Plan
Scenario Assuming 7% Asset Return in 2014, 7% Thereafter

Development of 2014 Minimum Required Contribution

1. 2014 Funding target liability	\$1,584,989,391	
[Net Effective Interest Rate]	6.48%	
2. 2014 Plan Actuarial Value of Assets	\$1,618,465,278	
3. Funding shortfall [MAX[(1) - (2),0]]	\$0	
4. Excess assets [MAX[(2) - (1),0]]	\$33,475,887	
5. 2014 Plan Normal Cost		\$56,830,179
[includes estimated plan expenses of \$6,100,000]		
6. 2009 shortfall amortization charge (amortized through 2015) *		0
7. 2010 shortfall amortization charge (amortized through 2016) *		0
8. 2011 shortfall amortization charge (amortized through 2017) *		0
9. 2012 shortfall amortization charge (amortized through 2018) *		0
10. 2013 shortfall amortization charge (amortized through 2019) *		0
11. Funding shortfall base *		
(a) Present value of 2009 shortfall amortization charge	0	
[based on amortization over 2 years at 4.99%]		
(b) Present value of 2010 shortfall amortization charge	0	
[based on amortization over 3 years at 4.99%]		
(c) Present value of 2011 shortfall amortization charge	0	
[based on amortization over 4 years at 4.99%]		
(d) Present value of 2012 shortfall amortization charge	0	
[based on amortization over 5 years at 4.99%]		
(e) Present value of 2013 shortfall amortization charge	0	
[based on amortization over first 5 years at 4.99% and next year at 6.32%]		
(f) 2014 funding shortfall base [(3) - (11(a)) - (11(b)) - (11(c)) - (11(d)) - (11(e))]	\$0	
12. 2014 Amortization factor	0.00000000	
[based on amortization of shortfall over 7 years, assuming		
a 4.99% rate for the first 5 years and 6.32% rate for the final 2 years]		
13. 2014 funding shortfall to be amortized in 2014-2020 [11(f) x (12)]		0
14. 2014 Minimum required contribution *		\$23,354,292
[(5) - (4) , amount as of 1/1/2014]		

Timing of 2014 Minimum Required Contribution

	Funding
First quarterly contribution deposited on April 1, 2014	\$13,300,000
Second quarterly contribution deposited on July 1, 2014	\$13,300,000
Third quarterly contribution deposited on October 1, 2014	\$0
Final 2014 contribution estimated to be deposited on December 15, 2014	\$0
Sum of payments made for the 2014 Plan Year	\$26,600,000
1/1/2014 Present value of 2014 Plan Year contributions	\$25,987,958
1/1/2014 Amount available to establish credit balance	\$2,633,666

* 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 G
Advice No. 4700

Southern California Gas Company
Postretirement Welfare Plans

Development of 2014 Contribution

1. 2014 APBO	\$762,178,571	
2. Discount rate	4.95%	
3. 2014 Fair Value of Assets	\$847,502,808	
4. 2014 Plan Service Cost		\$15,861,806
5. Interest cost		37,644,683
6. Expected return on assets [based on expected return of 7% on assets]		(51,330,396)
7. Transition obligation amortization		0
8. Prior service cost amortization		(1,988,226)
9. Unrecognized (gain)/loss amortization		0
10. Net periodic benefit cost		\$187,867

Timing of Estimated 2014 Contribution

	Funding
Contributions through December 31 made primarily in quarterly installments	\$187,867