

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 6, 2016

Advice Letters 4819-G and 4819-G-A

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**SUBJECT: Request for Recovery of the Transmission Integrity Management Program
Balancing Account (TIMPBA) - 2014 Recorded Activity**

Dear Mr. van der Leeden:

Advice Letters 4819-G and 4819-G-A are effective as of August 1, 2016, per Resolution G-3517 Ordering Paragraphs.

Sincerely,

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

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
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June 19, 2015

Advice No. 4819
(U 904 G)

Public Utilities Commission of the State of California

Subject: Request for Recovery of the Transmission Integrity Management Program Balancing Account (TIMPBA) – 2014 Recorded Activity

Southern California Gas Company (SoCalGas) hereby requests California Public Utilities Commission (Commission) approval for the recovery of its TIMPBA under collection activity for the year ended 2014, to be incorporated in SoCalGas' revenue requirement and rates effective August 1, 2016.

Purpose

SoCalGas requests authority to recover the under collection of \$19.1 million recorded in its TIMPBA for reasonably incurred pipeline integrity-related expenses for the year 2014, pursuant to Finding of Fact 202 of Decision (D.) 13-05-010, SoCalGas' Test Year 2012 General Rate Case (GRC).

Background

SoCalGas' Transmission Integrity Management Program (TIMP) implements the federal regulatory requirements set forth in 49 CFR 192 Subpart O.¹ These federal pipeline regulations were first adopted effective February 14, 2004, following the passage of the Pipeline Safety Improvement Act of 2002 (PSIA), to promote the continued safe and reliable operation of the country's natural gas infrastructure. Under these regulations, operators of natural gas transmission pipelines are required to continually identify threats to their pipelines in High Consequence Areas (HCAs), analyze the risks posed by those threats, conduct appropriate pipeline assessments at least once every seven years, collect information about the physical condition of their pipelines, and take actions to minimize applicable threats and integrity concerns before pipeline failures occur. SoCalGas' TIMP is designed to meet these regulatory requirements and objectives. SoCalGas' request for approval of funds for the

¹ Subpart O is incorporated into the Commission's General Order 112-E.

TIMP in its 2012 GRC, filed in December 2010, was based on the forecast costs of complying with these regulatory requirements and objectives.

In 2010, when SoCalGas initially filed its 2012 GRC application, SoCalGas did not request balancing treatment for TIMP-related costs. In 2011, the California Legislature passed Senate Bill (SB) 879, codified as Public Utilities Code section 969, which expressly requires that gas corporations “establish and maintain a balancing account” to recover TIMP expenses and related capital expenditures for the maintenance and repair of transmission pipelines. To comply with section 969, and in light of the adoption of additional TIMP-related regulations, the high variability in the costs of first-time assessments and related repairs, as well as calls for heightened transmission integrity efforts, SoCalGas revised its GRC request in order to establish a two-way balancing account for TIMP-related costs.

SoCalGas’ request to establish a two-way balancing account for TIMP-related costs was approved in D.13-05-010 and the TIMPBA was established to record actual Operations and Maintenance (O&M) and capital-related costs associated with SoCalGas’ TIMP and track the difference between authorized and actual expenditures. The TIMPBA is effective for the four-year GRC cycle ending December 31, 2015, or the effective date of SoCalGas’ next GRC. Any over or under collected balance at the end of each year within the GRC cycle is to be carried over to the following year. In addition, in accordance with Finding of Fact 202 of D.13-05-010, TIMP costs in excess of the corresponding authorized O&M and capital expenditures are subject to recovery through a Tier 3 advice letter filing.

In early 2010, when SoCalGas prepared its GRC application, SoCalGas did not anticipate the resources that would later be required to address the heightened focus on transmission integrity as a consequence of the rupture of a Pacific Gas and Electric Company transmission pipeline on September 10, 2010. Since the pipeline rupture in San Bruno, California, regulations such as “The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011,” have led the Pipeline Safety and Hazardous Materials Safety Administration (PHMSA) to change its reporting requirements and review the existing transmission integrity requirements to identify areas for improvement.

In addition, pipeline operators were not required to complete all of their first “baseline” assessments under Subpart O until 2012. Therefore, when SoCalGas developed its TIMP costs estimates back in 2010, it did not yet have a complete history of the cost of repairs or remediations that would be driven by those baseline assessment findings and did not yet have experience with addressing challenges that were later encountered when conducting assessments and remediations in sensitive areas.

In its 2012 GRC, SoCalGas forecast \$32.9 million TIMP-related O&M expenses for the test year. In D.13-05-010, the Commission authorized \$28.6 million, a reduction of \$4.3 million or 13%. This reduction carried forward in 2014 as \$4.5 million or 24% of the under collected balance.²

For 2012 and 2013, the TIMPBA was under collected by about \$29 million (or 48% above the authorized revenue requirement of \$59.9 million for the combined 2012-2013 period). On

² Based on the authorized attrition rate of 2.65% in 2013 and 2.75% in 2014.

April 11, 2014, SoCalGas filed Advice No. 4632 seeking to recover the under collected balance for 2012 and 2013. Energy Division conducted an invoice level review based on a sampling of the TIMP O&M costs and capital expenditures included in the balancing account requested in Advice Letter 4632 and found no inappropriately recorded or unreasonably incurred costs. On June 11, 2015, the Commission issued Resolution G-3499, approving Advice No. 4632 and authorizing SoCalGas to recover the under collected balance recorded in the TIMPBA through December 31, 2013. In approving Advice No. 4632, the Commission found that “new PHMSA regulations and Senate Bill 879 did require SoCalGas to undertake activities in addition to what SoCalGas had forecasted at the time it was preparing for its 2012 GRC (A.10-12-005).”³

In this filing, SoCalGas seeks recovery for the under collected balance related to 2014 recorded activity. The 2014 TIMP-related costs recorded in the TIMPBA are attributable to the same types of activities that were previously approved by the Commission in Resolution G-3499, and the under collection is driven by the same factors that were identified and deemed reasonable in SoCalGas’ approved Advice No. 4632.

2014 TIMPBA Under Collection Balance

As of December 31, 2014, the TIMPBA is \$48 million under collected. As noted above, SoCalGas is authorized to recover approximately \$29 million related to 2012 and 2013 activity. The remaining \$19.1 million is related to 2014 recorded activity. The recorded \$19.1 million under collection for 2014 is comprised of O&M expenses of approximately \$12.5 million and capital-related costs of approximately \$6.6 million. As discussed in greater detail below, this under collection is driven by three contributing factors. First, as noted above, in D.13-05-010, the Commission did not authorize SoCalGas to recover the entire forecast cost of implementing its TIMP. Rather, the Commission reduced the amount to be recovered by SoCalGas by \$4.3 million or 13%. This carries over into 2014 as \$4.5 million.⁴ Thus, \$4.5 million (24%) of the under collected balance can be attributed to the reduced amount authorized for TIMP in D.13-05-010. Second, in 2010, when SoCalGas developed its forecast of TIMP-related costs for its 2012 GRC, it did not foresee conditions that ultimately led to increased TIMP-related costs. These unanticipated circumstances resulted in additional costs of about \$8 million or 42%. Third, as a result of how capital expenditures are recovered and balanced, the amount recovered by SoCalGas for capital is approximately \$6.6 million (35%) less than actual capital-related costs recorded to the TIMPBA.

Attachment A details the actual costs recorded during 2014. Table 1 below distinguishes the analysis of TIMP O&M and capital additions, from an actual and authorized perspective, from the actual TIMPBA under collection calculation recorded on SoCalGas’ financial statements. As noted above and shown in Table 1, the primary cause of the TIMPBA under collection is higher than anticipated spending in TIMP O&M. The capital portion of the under collection is due to the balancing of capital-related costs on a revenue requirement basis (i.e., the

³ Res. G-3499 at 11.

⁴ Based on the authorized attrition rate of 2.65% in 2013 and 2.75% in 2014.

depreciation, taxes and return associated with capital additions to utility ratebase) and not on a capital expenditures basis.⁵

Table 1

**SOUTHERN CALIFORNIA GAS COMPANY
TRANSMISSION INTEGRITY MANAGEMENT PROGRAM - SPENDING VS. AUTHORIZED - \$000**

TIMP O&M Spending and Capital Additions				TIMPBA Calculation (Revenue Requirements)				
	(a)	(b)	(c) = (a) - (b)	(d)	(e)	(f) = (d) - (e)	(g)	(h) = (f) + (g)
	Actual ^{1/}	Authorized	Over/ (Under) Spending	Actual	Authorized ^{2/}	Under/ (Over) Collection	Interest	TIMPBA Activity
Year 2014:				Year 2014:				
O&M	42,686	30,178	12,508	O&M	42,686	30,178	12,508	12,508
Capital Additions	26,132	17,731	8,401	Capital-Related Costs ^{3/}	7,531	946	6,585	6,585
				Cost of Capital Adjust.		-	-	-
				Interest			37	37
Subtotal	68,817	47,909	20,908	Subtotal	50,217	31,124	19,093	19,130

^{1/} Recorded O&M expenses includes an adjustment for certain prior year expenses removed from TIMPBA as a result of the Energy Division's review of TIMP expenses.

^{2/} Authorized O&M and capital-related revenue requirement increased by 2.75% attrition adjustment adopted in 2012 GRC decision.

^{3/} Actual capital-related costs also include the capital-related costs associated with capital additions from 2012 - 2013 and impact of the 2013 Cost of Capital.

2014 TIMP Spending

Table 2 summarizes 2014 TIMP spending into four general categories: Program Management and Support, Assessments, Preventive & Mitigation, and Inflation to 2014\$.

Table 2

Direct + V&S (000's)	2014 Actual Costs	GRC 2014 Authorized	Difference (Actual vs Auth)
Program Mgt and Support	\$11,839	\$5,700	\$6,139
Assessments	\$29,057	\$20,760	\$8,297
Preventive & Mitigation	\$1,790	\$0	\$1,790
Subtotal	\$42,686	\$26,460	\$16,226
Inflation to 2014\$	N/A	\$3,718	-\$3,718
Total	\$42,686	\$30,178	\$12,508

As reflected in the costs above, SoCalGas consistently worked to improve the safety and reliability of its system in 2014. Through system modifications and enhancements, SoCalGas increased the percentage of transmission system miles that are capable of being inspected with in-line inspection tools (or "Smart Pigs") by roughly 0.5% (11.3 miles). Since the beginning of 2014, the monies spent for Assessments included costs for the in-line inspection of approximately 507 miles of pipeline, the Direct Assessment (both External and Internal) of

⁵ Post-test year actual capital-related costs include costs related to plant additions from prior years whereas authorized capital-related costs are based on an annual escalation of the authorized amount. Refer to Advice No. 4632 for a more detailed explanation of how the balancing treatment of capital-related costs is a contributing factor to the under collected balance in the TIMPBA.

approximately 45 miles of pipe, 174 pipeline excavations and inspections (i.e., bellhole inspections), control surveys⁶ of over 52 miles of pipeline, and the repair of approximately 41 total anomalies.

Incorporation of TIMPBA Revenue Requirement in Rates

Upon a Commission resolution on this Advice Letter filing, SoCalGas will incorporate the 2014 under collected TIMPBA activity in rates effective August 1, 2016 upon completion of the amortization of the 2013 under collected balance,⁷ or other authorized rate changes that the Commission may authorize for implementation in transportation rates at that time. Pursuant to Resolution G-3499, the TIMPBA amount will be amortized in gas transportation rates based on a functionalized allocation of transmission-related costs as developed in SoCalGas' most recent Triennial Cost Allocation Proceeding (TCAP). Attachment B describes the revenue requirement and rate impacts.

SoCalGas also anticipates it will continue to record under collections in its TIMPBA due to O&M spending above authorized levels and the balancing of capital-related costs during the remainder of the GRC period. SoCalGas intends to file an additional Tier 3 Advice Letter for recovery of under collections in its TIMPBA in future rates if an under collected balance is recorded at the end of 2015.⁸

Protest

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 July 9, 2015. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of 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.

⁶ Control surveys are used to spatially align vendor survey data to accurately position bellhole excavations and to align high pressure pipeline database geometry.

⁷ SoCalGas and San Diego Gas and Electric Company (SDG&E) have an integrated transmission system and rate recovery mechanism. SDG&E will also incorporate their share of costs in rates effective August 1, 2016, or other authorized rate change upon Commission resolution.

⁸ An under collection in SoCalGas' Distribution Integrity Management Program Balancing Account (DIMPBA) at the end of 2015, if any, will also be included in a future Tier 3 Advice Letter filing for recovery in rates.

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

In compliance with Finding of Fact No. 202 of D.13-05-010, this Advice Letter is designated as Tier 3 pursuant to General Order (GO) 96-B and, as such, requires a Commission resolution to approve. Following a Commission resolution on this Advice Letter, SoCalGas respectfully requests that this filing be made effective after Commission approval for implementation and inclusion in rates effective August 1, 2016 or other date SoCalGas is authorized to revise its rates.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.10-12-006, SoCalGas' TY 2012 GRC. 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.

Ronald van der Leeden
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) #: 4826

Subject of AL: Energy Efficiency Final Incentive Award for Program Year (PY) 2013

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.13-09-023

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: Rate change 1/1/16 No. of tariff sheets: 0

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

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. 4819

Actual Costs Recorded During 2014

ATTACHMENT A
SOUTHERN CALIFORNIA GAS COMPANY
TRANSMISSION INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (TIMPBA)
Year 2014

(Over) / Under Collection

SAP Account Number 1150588

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
Beginning Balance	29,016,907	28,446,159	28,714,516	30,140,792	30,715,016	33,061,149	36,665,322	40,263,144	41,157,317	43,853,563	44,542,129	45,456,091	29,016,907
1/ Prior Period Adjustment				94,406				1,721		(19,170)			76,957
Adjusted Beginning Balance	29,016,907	28,446,159	28,714,516	30,235,198	30,715,016	33,061,149	36,665,322	40,264,865	41,157,317	43,834,393	44,542,129	45,456,091	29,093,864
Costs:													
2/ O&M Costs	1,630,186	2,456,595	3,503,678	2,129,952	4,339,407	5,587,279	5,479,500	2,780,950	4,586,798	2,589,289	2,795,472	4,710,137	42,589,243
3/ Capital-Related Costs													
Depreciation	87,768	90,770	97,836	195,671	117,617	117,357	121,714	131,856	124,956	134,121	134,256	138,089	1,492,011
Income Taxes	54,969	54,969	131,533	186,641	140,157	131,077	150,269	148,633	147,149	149,526	149,119	76,142	1,520,184
Return	242,129	251,835	261,596	547,258	328,538	347,798	399,327	383,814	389,640	387,311	387,558	298,970	4,225,774
Property Taxes	5,712	5,712	22,848	11,424	11,424	11,424	37,474	37,474	37,474	37,474	37,474	37,474	293,388
Total Costs:	2,020,764	2,859,881	4,017,491	3,070,946	4,937,143	6,194,935	6,188,284	3,482,727	5,286,017	3,297,721	3,503,879	5,260,812	50,120,600
Revenues:													
Authorized Cost Amortization	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	31,124,004
Total Revenues:	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	2,593,667	31,124,004
Net Cost / (Revenue)	(572,903)	266,214	1,423,824	477,279	2,343,476	3,601,268	3,594,617	889,060	2,692,350	704,054	910,212	2,667,145	18,996,596
Current Month Interest**	2,155	2,143	2,452	2,539	2,657	2,905	3,205	3,392	3,896	3,682	3,750	3,899	36,675
4/ Current Month Activity	(570,748)	268,357	1,426,276	479,818	2,346,133	3,604,173	3,597,822	892,452	2,696,246	707,736	913,962	2,671,044	19,033,271
Ending Balance	28,446,159	28,714,516	30,140,792	30,715,016	33,061,149	36,665,322	40,263,144	41,157,317	43,853,563	44,542,129	45,456,091	48,127,135	48,127,135

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

Interest rate:	0.09%	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.11%	0.10%	0.10%	0.10%
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Notes:

1/ **April, August:** Adjustment is for TIMP costs charged to internal orders in prior years that were not correctly coded with a TIMP refundable code, and as a result were not balanced in the month incurred.

October: Adjustment is to remove overheads that were inadvertently balanced in TIMPBA that should not have been balanced

2/ **October:** Recorded O&M costs includes a credit to remove certain costs that were identified during Energy Division's review of TIMP costs and should not have been balanced in the TIMPBA

3/ **March:** Property tax true up:

Recorded	11,424
Revised	34,272
Current Month Activity	22,848

April: Prior to April 2014, TIMP capital-related costs were recorded on a one month lag due to the availability of information. Beginning in April, capital-related costs includes an estimate for the current month's costs to eliminate the one month lag c recorded capital-related activity.

	<u>Depreciation</u>	<u>Income Taxes</u>	<u>Return</u>	<u>Total</u>
Mar Actual	97,836	98,898	269,583	466,316
Apr Estimate	97,836	87,743	277,675	463,254
Current Month Activity:	195,671	186,641	547,258	929,570

December: Income taxes and return included a true up for the extension of bonus depreciation through 2014.

	<u>Income Taxes</u>	<u>Return</u>	<u>Total</u>
Recorded	1,444,042	3,926,804	5,370,846
Revised	1,520,184	4,225,774	5,745,958
Current Month Activity:	76,142	298,970	375,112

4/ The 2014 under collected recorded activity, including interest, is \$19,110,228 which includes a credit adjustment of \$19,483 for 2012-2013 recorded costs that were disallowed as part of Resolution G-3499. Since the amount authorized for recovery in Resolution G-3499 did not include the \$19,483, this amount must be added back to 2014 recorded activity to recover the full 2014 recorded under collected balance of \$19,129,711.

ATTACHMENT B

Advice No. 4819

Revenue Requirement and Rate Impacts

ATTACHMENT B
Natural Gas Transportation Rates
Southern California Gas Company
January, 2015 Rates
v.6-16-2015
TIMPBA 2014

	Present Rates			Proposed Rates			Changes			
	Jan-1-15	Average	Jan-1-15	Aug-1-16	Proposed	Aug-1-16	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	\$0.71570	\$1,672,983	2,337,534	\$0.71664	\$1,675,160	\$2,177	\$0.00093	0.1%
3	Commercial & Industrial	984,102	\$0.33979	\$334,392	984,102	\$0.34046	\$335,052	\$660	\$0.00067	0.2%
4										
5	NGV - Pre SempraWide	117,220	\$0.13363	\$15,665	117,220	\$0.13410	\$15,719	\$54	\$0.00046	0.3%
6	SempraWide Adjustment	117,220	\$0.00867	\$1,016	117,220	\$0.00867	\$1,016	\$0	\$0.00000	0.0%
7	NGV - Post SempraWide	117,220	\$0.14230	\$16,681	117,220	\$0.14277	\$16,735	\$54	\$0.00046	0.3%
8										
9	Gas A/C	825	\$0.14108	\$116	825	\$0.14140	\$117	\$0	\$0.00033	0.2%
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	\$0.58621	\$2,026,212	3,456,455	\$0.58705	\$2,029,104	\$2,892	\$0.00084	0.1%
12										
13	NONCORE COMMERCIAL & INDUSTRIAL									
14	Distribution Level Service	893,164	\$0.06968	\$62,239	893,164	\$0.07012	\$62,631	\$392	\$0.00044	0.6%
15	Transmission Level Service (2)	654,456	\$0.01804	\$11,806	654,456	\$0.01849	\$12,100	\$294	\$0.00045	2.5%
16	Total Noncore C&I	1,547,620	\$0.04784	\$74,045	1,547,620	\$0.04829	\$74,731	\$686	\$0.00044	0.9%
17										
18	NONCORE ELECTRIC GENERATION									
19	Distribution Level Service									
20	Pre Sempra Wide	333,969	\$0.05403	\$18,044	333,969	\$0.05449	\$18,198	\$154	\$0.00046	0.9%
21	Sempra Wide Adjustment	333,969	(\$0.00910)	(\$3,041)	333,969	(\$0.00910)	(\$3,040)	\$1	\$0.00000	0.0%
22	Distribution Post Sempra Wide	333,969	\$0.04492	\$15,003	333,969	\$0.04539	\$15,158	\$155	\$0.00046	1.0%
23	Transmission Level Service (2)	2,641,080	\$0.01487	\$39,270	2,641,080	\$0.01532	\$40,455	\$1,186	\$0.00045	3.0%
24	Total Electric Generation	2,975,049	\$0.01824	\$54,273	2,975,049	\$0.01869	\$55,614	\$1,341	\$0.00045	2.5%
25										
26	TOTAL RETAIL NONCORE	4,522,669	\$0.02837	\$128,318	4,522,669	\$0.02882	\$130,345	\$2,027	\$0.00045	1.6%
27										
28	WHOLESALE									
29	Wholesale Long Beach (2)	92,897	\$0.01453	\$1,350	92,897	\$0.01498	\$1,392	\$42	\$0.00045	3.1%
30	Wholesale SWG (2)	67,209	\$0.01453	\$977	67,209	\$0.01498	\$1,007	\$30	\$0.00045	3.1%
31	Wholesale Vernon (2)	87,906	\$0.01453	\$1,278	87,906	\$0.01498	\$1,317	\$39	\$0.00045	3.1%
32	International (2)	69,979	\$0.01453	\$1,017	69,979	\$0.01498	\$1,048	\$31	\$0.00045	3.1%
33	Total Wholesale & International	317,990	\$0.01453	\$4,622	317,990	\$0.01498	\$4,764	\$143	\$0.00045	3.1%
34	SDGE Wholesale	1,247,558	\$0.01258	\$15,692	1,247,558	\$0.01258	\$15,692	\$0	\$0.00000	0.0%
35	Total Wholesale Incl SDGE	1,565,548	\$0.01298	\$20,313	1,565,548	\$0.01307	\$20,456	\$143	\$0.00009	0.7%
36										
37	TOTAL NONCORE	6,088,217	\$0.02441	\$148,631	6,088,217	\$0.02477	\$150,801	\$2,170	\$0.00036	1.5%
38										
39	Unbundled Storage (4)			\$26,476			\$26,476	\$0		
40	System Total (w/o BTS)	9,544,672	\$0.23063	\$2,201,319	9,544,672	\$0.23116	\$2,206,381	\$5,061	\$0.00053	0.2%
41	Backbone Trans. Service BTS (3)	2,809	\$0.15777	\$161,782	2,809	\$0.17101	\$175,354	\$13,571	\$0.01323	8.4%
42	SYSTEM TOTALw/BTS	9,544,672	\$0.24758	\$2,363,102	9,544,672	\$0.24954	\$2,381,734	\$18,633	\$0.00195	0.8%
43										
44	EOR Revenues	203,920	\$0.03081	\$6,283	203,920	\$0.03127	\$6,376	\$93	\$0.00046	1.5%
45	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 7 or detail list of TLS rates.
- 3) BTS charge (\$/dth/day) is proposed as a separate rate. Core will pay through procurement rate, noncore as a separate charge.
- 4) Unbundles Storage costs are not part of the Core Storage or Load Balancing functions (those are included in transport rates).