

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 18, 2015

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

**Subject: Disposition approving Southern California Gas Company Advice Letter 4877/4877-A for Annual Regulatory Account Balance Update Rates effective January 1, 2016 and Greenhouse Gas Compliance Costs and Allowance Proceeds Rates effective April 1, 2016**

Dear Mr. van der Leeden:

Southern California Gas Company (SoCalGas) Advice Letter (AL) 4877 is approved effective January 1, 2016. In addition, Energy Division has determined that SoCalGas AL 4877-A is in compliance with Decision (D.) 15-10-032, and is approved. Pursuant to recommendations by the California State Auditor, Energy Division staff continues to conduct in-depth reviews of Southern California Gas Company gas balancing accounts. Balances in all accounts authorized for recovery here are subject to audit, verification and adjustment.

**Background**

As authorized in D.14-06-007, SoCalGas filed Advice Letter 4877 on October 15, 2015 to incorporate the projected 2015 year-end regulatory account balances in transportation rates effective January 1, 2016. The revenue requirement related to the regulatory account balances is to be amortized in rates over 12 months beginning January 1, 2016. The filing also revises the Backbone Transmission Service (BTS) rate in compliance with D.11-04-032.

Furthermore, the filing includes details on the activity recorded in its Transmission Integrity Management Program Balancing Account (TIMPBA) and the Post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA). Both accounts were established in compliance with D.13-05-010. Resolution G-3499 approved SoCalGas AL 4632, authorizing recovery of TIMP costs above authorized funding levels recorded as of December 31, 2013.

On November 12, 2015, SoCalGas filed a partial supplement AL 4877-A to address Phase Two issues of Rulemaking (R.) 14-03-003, including the methodologies to use when calculating forecast and recorded Greenhouse Gas (GHG) allowance proceeds and GHG costs associated with complying with the Cap-and-Trade Program. D.15-10-032 was adopted on October 22, 2016 after SoCalGas had filed AL 4877.

Ordering Paragraph (OP) 6 of D.15-10-032 provides that SoCalGas "shall include Appendix A, and provide reasonable supporting information regarding methodologies and assumptions when

filing forecast and reconciliation requests as part of their annual natural gas true-up advice letters.” OP 7 further provides that SoCalGas “shall file a one-time Tier 1 Advice Letter no later than April 1, 2016 to include forecast GHG costs into rates.”

### **Protests and Reply**

On November 4, 2015, Clean Energy Fuels filed a timely protest to AL 4877. Clean Energy Fuels argues that AL 4877 appears to allocate a highly disproportionate share of the requested rate increase to Natural Gas Vehicle (NGV) transportation customers. Clean Energy Fuels also states that SoCalGas provides insufficient justification for its proposed rate increase and notes that NGV transportation customers’ rates would increase from \$0.143 per therm to \$0.21774 per therm due primarily to the undercollected balance in the Core Fixed Cost Account (CFCA) amounting to \$297.6 million. Clean Energy Fuels requests that SoCalGas provide additional information to the Energy Division and affected parties on: which balancing accounts contributed to the NGV rate increases; the allocation method used to determine the NGV contribution to undercollection for each balance; the difference between forecast and actual throughput; and, the reason underlying the apparent inaccuracies of the forecast.

In its November 12, 2015 reply to the protest, SoCalGas includes the following response to Clean Energy Fuels requests. SoCalGas states that the CFCA is the primary driver for the proposed increase to NGV rates effective January 1, 2016 with the undercollection attributable to the 2014 CFCA balance carryover and the 2015 CFCA undercollection activity. According to SoCalGas, both events occurred as a result of the unusually warm weather trend in 2014 and 2015. SoCalGas also states that the allocation method to determine the NGV contribution is Equal Cents Per Therm (ECPT) which was Commission approved in the SoCalGas 2013 Triennial Cost Allocation Proceeding (TCAP) in D.14-06-007. SoCalGas defines the ECPT method as an allocation of equal cost per therm across all core customer classes. SoCalGas also asserts that since the NGV transportation rate is lower than, for example, the residential rate, the percentage rate increase for NGV customers is much higher than the percentage rate increase for residential customers.

On November 24, 2015, Clean Energy Fuels filed a supplemental protest to AL 4877. Clean Energy Fuels argues that because SoCalGas forecast of the CFCA is caused by inaccurate forecasts and NGV load is not weather sensitive, an ECPT allocation unreasonably discriminates against NGV.

### **Discussion**


With regard to advice letters that are subject to Industry Division disposition, Commission General Order 96-B, Section 7.6.1 states “Notwithstanding a timely protest, the reviewing Industry Division may approve an advice letter that is subject to disposition under this rule and is otherwise proper if the protest either (1) is not made on proper grounds as set forth in General Order Rule 7.4.2, (2) may be rejected on a technical basis as discussed in this rule, or (3) is clearly erroneous.” That section also states, “If the Industry Division rejects an advice Letter or grants a protested advice letter, the Industry Division’s disposition will state the basis for rejecting the advice letter or the protest.”

After review and analysis, Energy Division staff has verified that the ECPT allocator for the CFCA was originally approved by the Commission in D.09-11-006 and continued in D.14-06-

007. In a data response, SoCalGas provided detailed information outlining the disparity between projected throughput and actual throughput due to the warm weather trend beginning in 2013 and extending through 2014 and 2015 which contributed to the growing undercollection in the CFCA. In addition, SoCalGas' reply to the Clean Energy Fuels' protest adequately includes additional information requested in the protest; therefore, Clean Energy Fuels' protest is rejected. With respect to the Supplemental Protest of Clean Energy Fuels to SoCalGas AL 4877, General Order 96-B does not allow for supplemental protest filings. As such, the Supplemental Protest of Clean Energy Fuels is also rejected. Furthermore, changing the allocation methodology for any of the balancing accounts included in AL 4877 is not an appropriate topic of discussion for an advice letter filing. The allocation methodology is more appropriately addressed in a formal proceeding.

Energy Division staff has determined that SoCalGas has provided sufficient details to warrant its proposed revisions to revenue requirements and rates effective January 1, 2016 for year-end regulatory account balances. Energy Division staff has also determined that SoCalGas AL 4877-A is in compliance with D.15-10-032, and is approved.

Sincerely,

  
Edward Randolph, Director  
Energy Division

cc: Sid Newsom, SoCalGas  
Evelyn Kahl, Counsel to Clean Energy Fuels Corp



Ronald van der Leeden  
Director  
Regulatory Affairs

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Los Angeles, CA 90013-1011  
Tel: 213.244.2009  
Fax: 213.244.4957

*RvanderLeeden@semprautilities.com*

November 12, 2015

Advice No. 4877-A  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Partial Supplement: Annual Regulatory Account Balance Update for Rates Effective January 1, 2016 with Greenhouse Gas Compliance Costs and Allowance Proceeds Effective April 1, 2016**

Southern California Gas Company (SoCalGas) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective April 1, 2016.

**Purpose**

Advice No. (AL) 4877, Annual Regulatory Account Balance Update for Rates Effective January 1, 2016, was filed on October 15, 2015 in compliance 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). AL 4877 revises SoCalGas' rates to incorporate, among other things, the projected 2015 year-end regulatory account balances in transportation rates effective January 1, 2016.

This filing, AL 4877-A, is in compliance with D.15-10-032, which was adopted on October 22, 2015, after SoCalGas had filed AL 4877. This filing represents a partial supplement to AL 4877, and provides the additional information required by D.15-10-032 related to Greenhouse Gas (GHG) compliance costs and allowance proceeds.<sup>1</sup> While the revised rates shown in AL 4877 will be effective January 1, 2016, D.15-10-032 directs SoCalGas to incorporate the forecasted GHG compliance costs and allowance proceeds in rates effective April 1, 2016.

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<sup>1</sup> San Diego Gas & Electric Company (SDG&E) is simultaneously filing AL 2428-G-A, representing a partial supplement to their AL 2428-G and providing similar information as this filing.

## **Background**

D.15-10-032 addresses the procedures necessary for natural gas corporations, including SoCalGas, to comply with the California Cap on GHG Emissions and Market-Based Compliance Mechanisms (Cap-and-Trade Program). D.15-10-032 provides a set of tables and requirements for SoCalGas to use to forecast compliance costs and allowance proceeds. Ordering Paragraph (OP) 6 provides that SoCalGas “shall include Appendix A, and provide reasonable supporting information regarding methodologies and assumptions when filing forecast and reconciliation requests as part of their annual natural gas true-up advice letters.”

OP 7 further provides that SoCalGas “shall file a one-time Tier 1 Advice Letter no later than April 1, 2016 to include forecast GHG costs into rates.” Therefore, while the forecast compliance costs and allowance proceeds are being included in this partial supplement to the Annual Regulatory Account Balance Update for Rates Effective January 1, 2016, in compliance with OP 6, these compliance costs will not be included in the year-end consolidated rate filing and will instead be included in a separate rate implementation filing prior to April 1, 2016, in compliance with OP 7.

## **Forecasted GHG Compliance Cost Revenue Requirement**

SoCalGas’ transportation revenue requirement will increase by \$141.5 million (including Franchise Fees and Uncollectibles, or “FF&U”) in connection with 50% of the 2015 approved forecasted costs per D.15-10-032 and the 2016 GHG compliance cost forecast, as shown in Table A of Appendix A. This includes \$133.3 million for supplier-related GHG compliance costs, \$3.6 million for company facility GHG compliance costs, and \$4.6 million for Lost and Unaccounted For (LUAF) gas GHG compliance costs. Per D.15-10-032, SoCalGas’ customers who are covered entities in the Cap-and-Trade Program will be exempted from SoCalGas’ supplier-related GHG compliance costs. The core and noncore customer rates revenues will increase by \$117.6 million and \$24.2 million, respectively, as a result of the GHG compliance cost forecast.<sup>2</sup>

Appendix B provides the illustrative rate impacts by customer class.

## **California Climate Credit**

Eligible residential households will receive an annual California Climate Credit in April based on SoCalGas’ forecasted allowance proceeds from the sale of directly allocated GHG allowances in compliance with Cap-and-Trade Program regulations. As shown in Table C of Appendix A, 50% of the 2015 approved forecasted proceeds per D.15-10-032 and the 2016 forecasted proceeds, reduced by 2016 forecasted

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<sup>2</sup> \$117.6 million + \$24.2 million = \$141.8 million. The \$0.3 million difference in rates revenue, as compared to the \$141.5 million revenue requirement, is due to SoCalGas and SDG&E’s Sempra-wide Natural Gas Vehicle, Electric Generation, and Transmission Level Service rates in conjunction with SDG&E AL 2428-G-A.

outreach and administrative expenses, are estimated to be \$115.7 million, resulting in a California Climate Credit of \$19.45.

### **Natural Gas Utility Reporting Requirements**

Appendix A to this filing includes Tables A (Forecast Revenue Requirement), C (GHG Allowance Proceeds), D (GHG Outreach and Administrative Expenses), and E (Compliance Obligation Over Time), as required by D.15-10-032. Also as required by D.15-10-032, Appendix C to this filing includes SoCalGas' 2016 Compliance Obligation Procurement Limit and Table B (Recorded GHG Costs). Per General Order (GO) 66-C, Section 583 of the Public Utilities Code, and D.15-10-032, Appendix C is provided confidentially to the Energy Division.

### **Appendix A - Table A**

Consistent with D.15-10-032, SoCalGas' Net Throughput to End Users was calculated by identifying the throughput associated with covered entities and subtracting that amount from the 2016 throughput forecast in the most recent California Gas Report. LUAF Gas was added at the rate of 0.761%, which was the value presented and approved in the most recent TCAP Decision, D.14-06-007. D.15-10-032 directs SoCalGas to use an emissions conversion factor of 54.64 MTCO<sub>2</sub>e/MMcf. The Compliance Obligation for Company Facilities is provided as the three year average for 2013-2015 for SoCalGas' applicable Covered Facilities.<sup>3</sup> SoCalGas' directly allocated allowances are reduced by 30%, which is the minimum consignment percentage required for 2016 by the Cap-and-Trade Program regulations. Per D.15-10-032, the Proxy GHG Allowance Price was determined using the forward Intercontinental Exchange (ICE) settlement price of a California Carbon Allowance with December delivery in the forecast year, in this case 2016. The 5-day average of prices for October 5-9, 2015 was used, which is the full week before the initial filing date of AL 4877. Per D.15-10-032, 50% of the 2015 approved forecasted costs, or \$40.1 million, is included in the 2016 forecast. FF&U is added at the General Rate Case authorized rate of 1.764%.<sup>4</sup> Finally, 50% of the difference between the 2015 authorized GHG forecast and projected 2015 GHG costs to be recorded at the end of the year in the GHGBA, or \$7.4 million, is included as a reduction to the 2016 forecast.

The resulting 2016 Forecast Revenue Requirement is \$141.5 million. This is composed of \$133.3 million for end-users, \$4.6 million for LUAF gas, and \$3.6 million for company facilities. The Covered Entity Rate Impact provided in Table A is the System-Average rate impact for customers who are only responsible for costs associated with LUAF gas and company facilities. The Non-Covered Entity Rate Impact provided in Table A is the System-Average rate impact for customers who are responsible for all GHG related costs. Please note that these revenue requirements

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<sup>3</sup> For 2015, this is based on recorded data through September and forecast data for October through December.

<sup>4</sup> D.13-05-010.

proposed for incorporation in rates effective April 1, 2016 will be grossed-up to ensure full recovery over the remainder of 2016 and will be presented in the rate implementation advice letter along with updated System-Average rate impacts to customers relative to January 1, 2016 rates or other recent rate updates.

### **Appendix A - Table C**

Consistent with D.15-10-032, the same Proxy GHG Allowance Price was used for the forecast of GHG Allowance Proceeds as for the Forecast Revenue Requirement discussed in Table A. Table C estimates the consigned allowances as 30% of SoCalGas' directly allocated allowances for 2016, which complies with the minimum consignment requirements in the Cap-and-Trade Program regulations and D.15-10-032. Per D.15-10-032, 50% of the 2015 approved GHG allowance proceeds forecast are included in the 2016 forecast. 2016 Outreach and Administration Expenses are incorporated from Table D. SoCalGas forecasts net 2016 GHG Allowance Proceeds of \$115.7 million, for a per household 2016 California Climate Credit of \$19.45.

### **Appendix A - Table D**

D.15-10-032 approved SoCalGas' supplemental customer education and outreach plan, and authorized SoCalGas to track and record outreach costs in the GHG Memorandum Account (GHGMA).<sup>5</sup> These outreach costs are forecast to be \$2.0 million in 2016. SoCalGas forecasts incremental administrative costs at \$1.9 million. These consist of program management, acquisition-related costs, and billing costs related to implementing the Cap-and-Trade Cost Exemption for Covered Entities and the California Climate Credit.

Actual administrative costs for 2015 are limited to program management costs of \$292 thousand, acquisition-related costs of \$221 thousand, and interest of \$240 for a total of \$513 thousand. Program management and acquisition-related costs are lower than SoCalGas' forecasted 2015 program management costs of \$807 thousand and \$276 thousand, respectively.<sup>6</sup> These costs represent about 1% of 2015 forecast allowance proceeds.

Pursuant to D.15-10-032, outreach and administrative expenses are to be recovered from GHG allowance proceeds. As shown in Appendix A - Table D, SoCalGas proposes to transfer \$513,265 of allowance proceeds from the Consignment Revenue Subaccount of the GHG Balancing Account (GHGBA) to the GHG Memorandum Account (GHGMA) to offset actual administrative expenses, including interest, recorded in the GHGMA as of September 30, 2015. Subsequent annual transfers of allowance proceeds will be proposed to offset administrative costs recorded in the GHGMA for the following twelve month period ending September 30th in connection with SoCalGas' next Annual Regulatory Account Balance Update

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<sup>5</sup> D.15-10-032 at p. 65, Ordering Paragraph 16.

<sup>6</sup> See Preliminary Statement of SoCalGas and SDG&E in R.14-03-003 filed January 20, 2015 at p. 9. The total of \$1.1 million in Table 5 consists of \$0.8 million for program management and \$0.3 million for acquisition.

filing. Any difference between the amount transferred and balance available in the Consignment Revenue Subaccount will be reflected as a true-up in determining the California Climate Credit in the following year.

### **Appendix A - Table E**

No data is provided in Table E as 2015 emissions have not yet been verified. 2015 emissions will be verified in 2016.

### **Appendix C**

The Commission adopted GHG compliance instrument procurement limits for the utilities in D.14-12-040. Per D.15-10-032, the procurement limits are to be provided confidentially to the Commission as part of this filing. SoCalGas includes its procurement limit for 2016 in Appendix C.

Appendix C also includes Table B, which provides details of SoCalGas' recorded GHG costs and is provided to the Commission as confidential pursuant to GO 66-C, Section 583 of the Public Utilities Code, and D.15-10-032.

### **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 December 2, 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  
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](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@SempraUtilities.com](mailto:snewsom@SempraUtilities.com)



**Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition, and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This filing is consistent with D.14-06-007 and D.15-10-032 and therefore SoCalGas respectfully requests that this filing be approved December 12, 2015, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective April 1, 2016.

**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, and R.14-03-003. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto: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](mailto:process_office@cpuc.ca.gov).

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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) #: 4877-A

Subject of AL: Partial Supplement: Annual Regulatory Account Balance Update for Rates Effective January 1, 2016 with Greenhouse Gas Compliance Costs and Allowance Proceeds Effective April 1, 2016

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.13-05-010 and 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 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: 12/12/15 AL; 4/1/16 Rates    No. of tariff sheets: 0

Estimated system annual revenue effect (%): 5.9 %

Estimated system average rate effect (%): 5.9 %

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.

**APPENDIX A**

**Advice No. 4877-A**

**TABLE A: FORECAST REVENUE REQUIREMENT**

**TABLE C: GHG ALLOWANCE PROCEEDS**

**TABLE D: GHG OUTREACH AND ADMINISTRATIVE EXPENSES**

**TABLE E: COMPLIANCE OBLIGATION OVER TIME**

## SoCalGas AL 4877-A

## Appendix A

Table A: Forecast Revenue Requirement

Line	Description	2015		2016	
		Forecast <sup>1</sup>	Recorded <sup>2</sup>	Forecast	Recorded
1	Gross Throughput (MMcf)	822,829		821,630	
2	Throughput to Covered Entities (MMcf)	(410,647)		(408,577)	
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	412,182		413,053	N/A
4	Lost and Unaccounted for Gas (MMcf)			6,253	
5	<b>Total Supplied Gas (MMcf)</b> (Line 3 + Line 4)	<b>412,182</b>		<b>419,306</b>	N/A
6	Emissions Conversion Factor (MTCO <sub>2</sub> e/MMcf)	54.43		54.64	
7	Compliance Obligation for End Users and LUAF (MTCO <sub>2</sub> e) (Line 5 * Line 6)	22,435,190		22,912,713	
8	Compliance Obligation for Company Facilities (MTCO <sub>2</sub> e)	200,674		214,065	
9	<b>Gross Compliance Obligation (MTCO<sub>2</sub>e)</b> (Line 7 + Line 8)	<b>22,635,864</b>		<b>23,126,778</b>	
10	Directly Allocated Allowances	(21,988,508)		(21,545,943)	
11	Percentage Consigned to Auction	25%		30%	
12	Consigned Allowances (Line 10 * Line 11)	5,497,127		6,463,782	
13	<b>Net Compliance Obligation (MTCO<sub>2</sub>e)</b> (Line 9 + Line 10+ Line 12)	<b>6,144,483</b>		<b>8,044,617</b>	
14	Proxy GHG Allowance Price	\$ 13.06		\$ 13.20	
15a	Compliance Instrument Cost	\$ 80,246,950	\$ 66,434,958	\$ 106,188,942	
15b	Compliance Instrument Cost (50% of 2015 Forecast Costs)			\$ 40,123,475	
16	Interest		\$ 83,484		
17	Franchise Fees & Uncollectibles	\$ 1,415,556	\$ 1,173,385	\$ 2,580,951	
18	<b>Revenue Requirement</b> (Line 15 + Line 16 + Line 17)	<b>\$ 81,662,507</b>	<b>\$ 67,691,827</b>	<b>\$ 148,893,368</b>	N/A
19	Previous Year's Cost Balancing Subaccount Balance w/ FFU			\$ (7,414,058)	
20	<b>Revenue Requirement to be Included in Rates</b> (Line 18 + Line 19)	<b>\$ 81,662,507</b>		<b>\$ 141,479,310</b>	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00028		\$ 0.00086	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.01983		\$ 0.03384	

**Notes:**

<sup>1</sup>2015 Forecast Revenue Requirement from Preliminary Statement filed January 20, 2015 in Rulemaking 14-03-003.

<sup>2</sup>2015 Recorded Compliance Instrument Costs includes actual expenses for January through September and forecasted expenses for October through December.

**Supporting Information:**

FF&U %	1.764%	1.764%	1.764%
LUAUF %	0.761%	0.761%	0.761%
System Throughput	9,544,672		9,544,672
Non-Covered Entity Throughput	4,040,305		4,040,305
Cost Balancing Account Balances			
End-User w/o FFU		\$	32,097,762
LUAUF w/o FFU		\$	-
Company Facilities w/o FFU		\$	740,173
Total		\$	32,837,934
End-User Revenue Requirement w/FFU	\$ 78,995,473	\$	133,260,980
LUAUF Revenue Requirement w/FFU	\$ -	\$	4,589,599
Company Facilities Revenue Requirement w/FFU	\$ 2,667,033	\$	3,628,732
<b>Revenue Requirement to be Included in Rates w/FFU</b>	<b>\$ 81,662,507</b>	<b>\$</b>	<b>141,479,310</b>
End-User Revenue Requirement w/out FFU	\$ 77,626,148	\$	130,951,004
LUAUF Revenue Requirement w/out FFU	\$ -	\$	4,510,041
Company Facilities Revenue Requirement w/out FFU	\$ 2,620,802	\$	3,565,831
<b>Revenue Requirement to be Included in Rates w/out FFU</b>	<b>\$ 80,246,950</b>	<b>\$</b>	<b>139,026,876</b>

## SoCalGas AL 4877-A

## Appendix A

Table C: GHG Allowance Proceeds

Line	Description	2015		2016	
		Forecast <sup>1</sup>	Recorded <sup>2</sup>	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT)	\$ 13.06		\$ 13.20	
2	Directly Allocated Allowances	21,988,508		21,545,943	
3	Percentage Consigned to Auction	25%		30%	
4	Consigned Allowances	5,497,127		6,463,782	
5a	Allowance Proceeds	\$ (71,792,479)	\$ (68,370,517)	\$ (85,321,922)	
5b	Allowance Proceeds (50% of 2015 Forecast Proceeds)			\$ (35,896,239)	
6	Previous Year's Revenue Balancing Subaccount Balance			\$ 1,659,146	
7	Interest		\$ (103,669)		
8	<b>Subtotal Allowance Proceeds (\$)</b> (Line 5 + Line 6 + Line 7)	<b>\$ (71,792,479)</b>	<b>\$ (68,474,186)</b>	<b>\$ (119,559,015)</b>	<b>N/A</b>
9	<b>Outreach and Admin Expenses (\$)</b> (from Table D)	<b>\$ 3,656,000</b>	<b>\$ 513,265</b>	<b>\$ 3,884,083</b>	<b>N/A</b>
10	<b>Net GHG Proceeds Available for Customer Returns (\$)</b> (Line 8 + Line 9)	<b>\$ (68,136,479)</b>	<b>\$ (67,960,921)</b>	<b>\$ (115,674,932)</b>	<b>N/A</b>
11	Number of Residential Households	5,432,358		5,948,156	
12	<b>Per Household California Climate Credit (\$)</b> (Line 10 / Line 11)	<b>\$ 12.54</b>		<b>\$ 19.45</b>	

**Notes:**

<sup>1</sup>2015 Forecast Allowance Proceeds from Preliminary Statement filed January 20, 2015 in Rulemaking 14-03-003.

<sup>2</sup>2015 Recorded Allowance Proceeds and interest includes actual expenses for January through September and forecasted expenses for October through December.

## SoCalGas AL 4877-A

## Appendix A

Table D: GHG Outreach and Administrative Expenses

Line	Description	2015		2016	
		Forecast <sup>1</sup>	Recorded <sup>2</sup>	Forecast	Recorded
1	Outreach Expenses				
2	Detail of Outreach Activity (\$)	\$ 2,000,000	\$ -	\$ 2,000,000	
3	<b>Subtotal Outreach (\$)</b>	\$ 2,000,000	\$ -	\$ 2,000,000	N/A
4	Administrative Expenses				
5	Acquisition (\$)	\$ 276,000	\$ 221,425	\$ 269,912	
6	Billing (\$)	\$ 573,000	\$ -	\$ 783,578	
7	Program Management (\$)	\$ 807,000	\$ 291,600	\$ 830,593	
8	<b>Subtotal Administrative (\$)</b>	\$ 1,656,000	\$ 513,025	\$ 1,884,083	N/A
9	Subtotal Outreach and Administrative (\$)	\$ 3,656,000	\$ 513,025	\$ 3,884,083	
10	Interest (\$)		\$ 240		
11	<b>Total (\$)</b>	<b>\$ 3,656,000</b>	<b>\$ 513,265</b>	<b>\$ 3,884,083</b>	<b>N/A</b>

**Notes:**

<sup>1</sup>2015 Forecast Acquisition and Program Management Expenses from Preliminary Statement filed January 20, 2015 in Rulemaking 14-03-003. 2015 Forecast Outreach and Billing expenses from Opening Comments filed February 27, 2015 in Rulemaking 14-03-003.

<sup>2</sup>2015 Recorded expenses includes actual expenses for January through September.

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Appendix A

Table E: Compliance Obligation Over Time

	2015	2016	2017	2018	2019	2020
<b>Natural Gas Fuel Supplier Compliance Obligation (MTCO<sub>2</sub>e)</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Company Facility Compliance Obligation (MTCO<sub>2</sub>e)</b>	N/A	N/A	N/A	N/A	N/A	N/A

**APPENDIX B**

**Advice No. 4877-A**

**TRANSPORTATION RATE REVENUES**



**Appendix B**  
**Advice No. 4877-A**  
**Natural Gas Transportation Rate Revenues**  
**Southern California Gas Company**  
**GHG Implementation**

	Present Rates			Proposed Rates			Changes			
	Aug-1-15 Volumes Mth	Average Rate \$/therm	Aug-1-15 Revenues \$000's	Apr-1-16 Volumes Mth	Proposed Rate \$/therm	Apr-1-16 Revenues \$000's	Revenue Change \$000's	Rate Change \$/therm	% Rate change %	
	A	B	C	D	E	F	G	H	I	
1	<b>CORE</b>									
2	Residential	2,337,534	\$0.71712	\$1,676,283	2,337,534	\$0.75159	\$1,756,864	\$80,581	\$0.03447	4.8%
3	Commercial & Industrial	984,102	\$0.34081	\$335,393	984,102	\$0.37519	\$369,228	\$33,836	\$0.03438	10.1%
4										
5	NGV - Pre SempraWide	117,220	\$0.13434	\$15,747	117,220	\$0.16150	\$18,931	\$3,184	\$0.02716	20.2%
6	SempraWide Adjustment	117,220	\$0.00867	\$1,016	117,220	\$0.00873	\$1,023	\$7	\$0.00006	0.7%
7	NGV - Post SempraWide	117,220	\$0.14300	\$16,763	117,220	\$0.17023	\$19,954	\$3,191	\$0.02722	19.0%
8										
9	Gas A/C	825	\$0.14157	\$117	825	\$0.17590	\$145	\$28	\$0.03433	24.2%
10	Gas Engine	16,774	\$0.12163	\$2,040	16,774	\$0.12163	\$2,040	\$0	\$0.00000	0.0%
11	<b>Total Core</b>	<b>3,456,455</b>	<b>\$0.58748</b>	<b>\$2,030,596</b>	<b>3,456,455</b>	<b>\$0.62151</b>	<b>\$2,148,232</b>	<b>\$117,636</b>	<b>\$0.03403</b>	<b>5.8%</b>
12	<b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
13	Distribution Level Service	893,164	\$0.07035	\$62,834	893,164	\$0.08834	\$78,898	\$16,064	\$0.01799	25.6%
14	Transmission Level Service (2)	654,456	\$0.01872	\$12,251	654,456	\$0.02057	\$13,460	\$1,209	\$0.00185	9.9%
15	<b>Total Noncore C&amp;I</b>	<b>1,547,620</b>	<b>\$0.04852</b>	<b>\$75,085</b>	<b>1,547,620</b>	<b>\$0.05968</b>	<b>\$92,358</b>	<b>\$17,273</b>	<b>\$0.01116</b>	<b>23.0%</b>
16										
17	<b>NONCORE ELECTRIC GENERATION</b>									
18	Distribution Level Service									
19	Pre Sempra Wide	333,969	\$0.05473	\$18,277	333,969	\$0.06407	\$21,397	\$3,120	\$0.00934	17.1%
20	Sempra Wide Adjustment	333,969	(\$0.00910)	(\$3,039)	333,969	(\$0.00888)	(\$2,967)	\$72	\$0.00022	-2.4%
21	Distribution Level Post Sempra Wide	333,969	\$0.04563	\$15,238	333,969	\$0.05519	\$18,430	\$3,192	\$0.00956	20.9%
22	Transmission Level Service (2)	2,641,080	\$0.01555	\$41,067	2,641,080	\$0.01661	\$43,867	\$2,800	\$0.00106	6.8%
23	<b>Total Electric Generation</b>	<b>2,975,049</b>	<b>\$0.01893</b>	<b>\$56,305</b>	<b>2,975,049</b>	<b>\$0.02094</b>	<b>\$62,298</b>	<b>\$5,992</b>	<b>\$0.00201</b>	<b>10.6%</b>
24										
25	<b>TOTAL RETAIL NONCORE</b>	<b>4,522,669</b>	<b>\$0.02905</b>	<b>\$131,391</b>	<b>4,522,669</b>	<b>\$0.03420</b>	<b>\$154,656</b>	<b>\$23,265</b>	<b>\$0.00514</b>	<b>17.7%</b>
26										
27	<b>WHOLESALE &amp; INTERNATIONAL (excluding SDG&amp;E)</b>	<b>317,990</b>	<b>\$0.01521</b>	<b>\$4,838</b>	<b>317,990</b>	<b>\$0.01593</b>	<b>\$5,067</b>	<b>\$229</b>	<b>\$0.00072</b>	<b>4.7%</b>
28										
29	<b>OTHER SERVICES (SDG&amp;E, UBS, &amp; BTS)</b>	<b>1,247,558</b>		<b>\$224,521</b>	<b>1,247,558</b>		<b>\$225,257</b>	<b>\$736</b>		
30										
31	<b>SYSTEM TOTAL w/BTS</b>	<b>9,544,672</b>	<b>\$0.25054</b>	<b>\$2,391,346</b>	<b>9,544,672</b>	<b>\$0.26541</b>	<b>\$2,533,212</b>	<b>\$141,866</b>	<b>\$0.01486</b>	<b>5.9%</b>
32										
33	EOR Revenues	203,920	\$0.03151	\$6,425	203,920	\$0.03227	\$6,581	\$156	\$0.00077	2.4%
34	<b>Total Throughput w/EOR Mth/yr</b>	<b>9,748,592</b>			<b>9,748,592</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) All rates include Franchise Fees & Uncollectible charges